



The Yukon Legislative Assembly

Number 7

3rd Session

26th Legislature

HANSARD

Tuesday, March 25, 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 25, 1986 — 1:30 p.m.

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

Prayers

DAILY ROUTINE

Speaker: We will now proceed with the Order Paper.

Introduction of Visitors?

Are there any Returns or Documents for Tabling?

Are there any Reports of Committees?

Are there any Petitions?

Introduction of Bills?

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

Are there any Notices of Motion?

Are there any Statements by Ministers?

MINISTERIAL STATEMENTS

Task Force on Family Violence

Hon. Mrs. Joe: In November, 1985, the Task Force on Family Violence submitted its report to myself and my colleague, the hon. Roger Kimmerly. As the Task Force noted, the report and its recommendations are not the final answers to the problem of family violence, but they do provide a framework within which this government and other agencies can develop solutions to the problems.

My department has already acted on many of the recommendations, particularly those which are the direct responsibility of the Department of Health and Human Resources. I am pleased to briefly outline the actions taken to date. The listing is not all inclusive, but does highlight the major items.

Numerous protocols within the Department of Health and Human Resources and between this department and other agencies, such as the RCMP, Alcohol and Drug Services, and Education are currently being reviewed with appropriate changes planned in response to the Task Force recommendations.

The department has undertaken the major task of revamping the present data management system. A consulting firm has been employed and an inter-departmental committee will coordinate the identification of the many information requirements needed to provide a comprehensive and updated information management system.

With the relocation, in the near future, of the family and community services unit in downtown Whitehorse, new audio-visual equipment and an appropriate interview room will be available to support and enhance the interviewing of children.

Staff training, to enhance the skills of departmental staff, is identified as a high priority. In addition, an inter-departmental committee has been formed, between Health and Human Resources and Education, and will address comprehensive training, planning and issues which extend training opportunities beyond the department.

02 Work respecting the development of a children's group home in which spousal assault has been identified is in the initial stage of development. Funding has been provided for in the 1986-87 budget to develop a safe house pilot project for victims of family violence in a yet to be determined rural community.

Unfortunately, not all of the recommendations can be dealt with as quickly as the aforementioned. However, the department will give top priority to the following items during the coming year.

The department will be reviewing the 30 or more recommendations relating to the *Children's Act* in concert with some of the difficulties we have encountered with the *Children's Act*. I am hopeful that the review will result in the tabling of appropriate legislation within the year.

The Seniors Study Group, which has been established in the department, will be reviewing the outstanding recommendations related to elder abuse and will outline an action plan to implement the recommendations.

The department has embarked on the development of a plan of action which, hopefully, will ensure native involvement in the formulation and delivery of appropriate social programming. The Child Welfare Pilot Project between our government and the Champagne-Aishihik Band will build on the recommendations of the

Task Force and will set an example for the future delivery of social services to native Yukoners.

The department will pursue a cooperative and coordinated approach with other departments and agencies having responsibilities in the area of family violence. Discussions have been initiated to establish the inter-agency committees recommended by the Task Force. The willingness of all parties to cooperate in these efforts will determine how effectively the recommendations can be implemented.

As mentioned earlier, the report provides a framework within which answers to the problems of family violence can be developed. We will make every effort to build on the framework and provide solutions to the problems. We are committed to finding solutions to the problems facing Yukoners today as a result of family violence.

Task Force on Family Violence

Hon. Mr. Kimmerly: The Department of Justice, as well as the department of my colleague, has been involved in implementing Task Force recommendations through ongoing functioning and future planning.

I would like to take this opportunity to highlight, for the House, initiatives presently being taken.

We are working jointly with the federal Department of Health and Human Resources to produce a child welfare manual as well as to develop legislation with regard to the vulnerable adult.

The Whitehorse Correctional Centre presently delivers life skills, job readiness and alcohol counselling programming in response to the Task Force recommendation that services compatible with a community based offender treatment program be delivered at the correctional centre.

03 The Workers' Compensation Board is presently considering the expansion of the definition of injury to include stress-related syndrome and psychological stress.

We have introduced legislation with regard to maintenance and custody enforcement and planning programming in that area.

Community Corrections, specifically Probation Services, places a high priority on child sexual offenders and violent offenders and supervises them intensively. Treatment options and lengthy probationary periods are carefully considered in Pre-Sentence Report preparation.

Further to these activities, we shall be giving high priority to the following initiatives over the coming year:

A coordinated approach to assessment of sexual offenders will be used by my department, with referrals to local professionals who will be recommended by the ad hoc committee for treatment of child sexual abuse. We will recognize the use of local resources through this process.

The department will be taking a high profile with regard to the education of the public as to the warning signs, incidence, impact and, especially, prevention of family violence through the use of departmental monies for a media campaign.

A training workshop on the assessment of sexual offenders will be provided to Justice and Corrections personnel.

I view the problem of family violence as a serious one and the recommendations of the Task Force as valid alternatives. Not only my department, but our government, is committed to cooperative action to alleviate the situation. We anticipate being able to inform the House of future cooperative, joint and separate initiatives as time goes on.

The actions taken by my department and that of my colleague to date are merely a first step on the road to solution. The problem of family violence is indeed serious but we are committed as a government to following the work of the Task Force with concrete actions and plans to begin the journey.

Banking Services in Outlying Communities

Hon. Mr. Penikett: The Yukon government currently uses the Canadian Imperial Bank of Commerce for the banking services required for the operation of the consolidated revenue fund in the three government corporations. In the past, it was the federal government's policy to obtain its services from the first bank in a community, and since the Commerce was the first bank in Dawson City, it became the federal government's banker. With the evolution of a separate territorial government, the Commerce has

remained the government's banker ever since.

In recent years, the absence of banking services available in the outlying communities has become a matter of increasing concern. Two areas that stand out because of the size of their population are the Mayo-Elsa and the Faro-Ross River regions. Until recently, both these regions had full-time banking services. The Royal Bank stopped servicing the Elsa area in 1983 and the Toronto-Dominion Bank closed its bank operation in Faro in July 1985.

To help deal with the situation, the Government of Yukon has provided a cheque-cashing service in the Mayo Liquor Store, the United Keno Hill Mine has adjusted its work schedule to give its employees an opportunity to get to Whitehorse to do their banking, and several businesses in the area have provided cheque-cashing services. In Faro the cheque-cashing arrangement at the liquor store was instituted and the Faro Hotel and grocery store also cashed cheques. The work schedule at the mine provides an opportunity to get to and from Whitehorse on weekdays.

While the Mayo-Elsa and Faro-Ross River areas stand out because of their size, there are other areas in the Yukon lacking services completely. In fact, outside of Whitehorse, Watson Lake and Dawson City, the only areas that have any banking services at all are Haines Junction, Carmacks and Teslin, and the services in these communities are limited to periodic weekly, or biweekly, service. This is a situation which cannot be allowed to continue, and the government is determined to address it in a number of ways.

First of all, as I announced in the budget speech, we propose to issue a call for proposals for the government's own banking requirements. The only time this has ever been done before was after the closure of the Royal Bank in Elsa. When the government tendered for banking services in the area, the invitation was limited to banks already operating in the territory, and only two, the Royal Bank and the Bank of Commerce, responded. Following receipt of the tenders, the government decided not to proceed.

The invitation to forward proposals that we will be issuing shortly will be open to all financial institutions in Canada and will include a requirement to provide a minimum level of service in the outlying communities.

Secondly, in conjunction with this call for tenders, the government also intends to obtain the services of a consultant to report on the feasibility of developing a government-run agency banking arrangement. This agency arrangement would envision local business people providing a basic service, on behalf of the government, of deposit accounts, chequing accounts and a vehicle for consumer and business loans to community residents.

The third component of our strategy is to investigate, in a comprehensive way, the various alternatives open to us to make available and expand access to investment capital in the rural areas. The Department of Economic Development: Mines and Small Business has initiated a study to identify sources of capital available for small business. This study will also examine the government programs in effect at this time and relate these to the needs of the business community in the Yukon.

As a result of these initiatives, I hope that banking services, whether supplied by conventional financial institutions or by the government, can be restored in the near future to the residents of the Mayo-Elsa and the Faro-Ross River regions, and that Yukoners in other parts of the territory can also look forward to an expansion in banking services, as well as a significant improvement in the availability of development capital.

Mr. McLachlan: I am pleased to see the government moving on trying to increase banking services in the Faro-Ross River area. There is no doubt that, without it, it has become a hindrance to business development and an inconvenience to all residents in the town. For the time being, the Territorial Agent in Faro will be serving the immediate needs by cashing small payroll cheques and providing a more ready access to cash. It will buy some time, preparatory to securing banking services in the area, by providing some ready source of capital. Ironically, I have some concern that, perhaps, providing the money will, in effect, delay getting a bank there, because I really suspect that they will now say that our immediate needs are served and "to call us again in six months and we will see".

I have two concerns on the provision of banking services in the rural communities which, perhaps, should be addressed, or should be considered, by the government side.

One is the nature of the tender which would go out to provide banking services. If, in fact, it is for all communities, then I have some concern that the banks may request a substantial sum of money to assist with that and remind the government side that \$60,000 or \$70,000, years ago, did nothing to get them into Elsa and Mayo.

If the concern of the tender is only to provide banking services in those larger areas that do not have the banks now, then the smaller communities would have a concern about the use of taxpayers' dollars in only some areas of the Yukon, if they did not get anything.

Secondly, if we want the banks to go into the rural areas, I have a concern about then announcing that the government will go into the business of trying to provide development capital. It seems to me to be a competition medium for the banks at a time when we want them.

Hon. Mr. Penikett: If I may just respond very briefly to the useful observations of the Member for Faro. We would no doubt intend to be making a distinction between those communities where we would be looking for one day a week service and those communities where we are looking for substantially more than that. It may well be that we do not get an offer from any institution which offers to provide service to all the communities mentioned. We will, obviously, then be looking at the best arrangement we can get, which is why we are simultaneously looking at the agency arrangement, about which we have had some conversations with the Province of Alberta. I think the Members opposite will know they have had long experience in this area. They may be useful.

I want to say to the Member for Faro that I take his comments under advisement.

Smoking Policy in Government Buildings

I have a very short statement on the question of smoking.

Last year the Public Service Commission distributed questionnaires to all Yukon government employees on the subject of smoking in the workplace. More than 1,000 people responded. Of these, three-quarters wanted smoke-free areas at work, and a large majority wanted to work in a totally smoke-free environment.

I am pleased today to announce a new government policy, which accommodates the views of our employees on this issue. We have adopted the general principle of making government buildings, including schools, smoke-free areas, with the exception of designated areas where smoking would be permitted.

The Public Service Commission has notified all employees of this new policy. In major buildings, such as this one, most common areas, such as service counters, meeting rooms and hallways, will be smoke-free areas. Where separate smoke-free areas are not feasible, multiple occupancy workplaces will be smoke-free unless there is agreement among the employees in that area to make it a smoking area. Enclosed offices will be either smoke-free or smoking areas, depending on the wishes of the occupant.

Circumstances vary considerably in smaller buildings, such as those in rural communities. In these cases, we are encouraging managers to apply the policy to best accommodate the wishes of employees in that specific location.

Finally, the government will offer assistance on a strictly basis to those employees who would like to stop smoking.

Given the large, positive support for smoke-free areas, and the well-documented health risks and costs of both smoking and side-stream smoke, I am pleased that we are able to take this important step toward ensuring that we have a healthy and pleasant environment for employees and for the public.

Speaker: This then brings us to the Question Period.

QUESTION PERIOD

Question re: Curragh agreement

Mr. Phelps: In Committee of the Whole last night, just before we adjourned, we were getting into the issue of Cyprus Anvil and the opening. We were looking at the issue regarding the master agreement which was signed last October or nearly November

between this government, the Government of Canada and Curragh. It has been stated several times in this House by the Government Leader that it was mentioned in that agreement that Curragh would maximize local hire and business opportunities. I expressed concern as to why there was not more meat to the statements, some general principles enclosed in that master agreement. Why did they did not have some basic general statements containing basic elements that would be enforceable should they run into problems with regard to the issues with Curragh?

Hon. Mr. Penikett: In negotiating the master agreement, we agreed upon the principles of maximizing local employment and local business opportunities, and one which had to do with positive action with respect to hiring women, native people and handicapped. It was agreed that we would sit down, subsequently, and talk in specifics about what that would mean. It was not possible, as I explained last night, for the company, which was an extremely small, tight unit trying to assemble a massively complicated financial package as well as gear up to reopen a multi-million dollar enterprise, to commit the kind of resources that were necessary last October and November to sit down with us and be specific in the ways that we would like to have been specific about the particulars and the particular consequences that would flow from the principles that we agreed to.

The Member opposite asks why we did not have some other specific principles, such as public tendering on local projects. That was not something at the time that we had identified as being necessary. It was not until we had a couple of cases where there were complaints on that score that we had reason to sit down with the company and pursue that issue.

Mr. Phelps: The answer simply is not acceptable, with respect. Did the Government Leader, or any of his officials, consider putting in some principles, such as local advertising with regard to local hire, local interviews or local hiring policies — just some basic elements — so that there would be some basic principles that could be utilized in an enforceable contract, namely the master agreement back then.

Hon. Mr. Penikett: From the beginning, it was our objective to get as many local business opportunities as possible from this deal. That was something that was agreed to by the company. From the beginning, the company agreed that it would do its hiring of people locally where those skills existed in our community. We, from the time of the signing of the master agreement, have been interested in getting a more specific document on reporting of compliance according to those principles, and that is what we have been pursuing. We did not, at the time we were negotiating the agreement, deal with those kinds of specifics. There were many thousands of details we had to deal with. To a large extent, we were operating on agreeing on broad principles, with the necessity to have to deal with specifics and details at a later date. Such was the time pressure we were all under.

Mr. Phelps: Did the Government Leader, or any of his officials, consult with the local business community to determine whether or not a couple of basic, easy principles could have been drawn up — I am sure, in a matter of minutes — with regard to local advertising for purchasing materials or sizing of contracts so that local businesses could compete? Was there any discussion, at all, prior to entering into the master agreement and, if so, why were no basic elemental principles put into the master agreement with regard to local purchase?

Hon. Mr. Penikett: We did, without betraying commercial confidences, talk to people in the local business community, whose opinions were divided on this subject. Some felt that, notwithstanding the fact that there was a substantial contribution of public money into this project, it was none of our business how Curragh did its business, and for us to require of them that they conduct themselves in a way that might be the norm for a public enterprise but was not necessarily the norm for a private enterprises was outside of our domain. There is a point of view held by some businesses that do not tender for supplies. They do not make public tenders, they do not all advertise. We, however, felt our understandings with the company required that they obtain, wherever possible, services locally. We are now looking in the contribution

agreement to specify — having had concerns on this score, and of course those concerns have come up or we would not be having these questions today — in some detail public information and public advertising not only about business opportunities, but about employment opportunities. We are looking to agreeing with the company on a regular reporting system so that all local people would know not only what opportunities are present but who has benefitted from those opportunities.

Curragh agreement

Mr. Phelps: Such basic principles are certainly essential and we still cannot understand, for the life of us, why these basic broad principles were not included in the agreement.

Can the Government Leader advise me whether or not he has any knowledge of Altus Construction having an office in Watson Lake?

Hon. Mr. Penikett: I cannot remember whether it was on a visit to Watson Lake or previous to that that I became aware of the fact that Altus had an office in Watson Lake.

Mr. Phelps: Does he have any knowledge as to whether that office is being utilized as a hiring facility for the transients from the south to go to work at the mine site?

Hon. Mr. Penikett: No, I have no specific information as to the purpose of that office. I will certainly find out.

Mr. Phelps: When the Government Leader has found out, would he please advise this House as to whether that office has been used to hire non-resident Yukoners from the south to go to work at the mine site near Faro?

Hon. Mr. Penikett: Yes, I will get that information. As the Leader of the Official Opposition will know, and I believe several other MLAs will know, I have had these concerns brought to my attention. I have had to deal with, in the last period, a number of specific complaints where it was alleged that Altus, on behalf of Curragh, had hired people who were from outside the territory, and whose skills were no more than were available in this local community.

I want to emphasize that the kind of agreement that I am hoping to conclude with Curragh, while it will provide public notice of positions and business opportunities, and while it will provide public reporting of business opportunities, the prevailing view of the people I talked to in the local business community is that it would be extremely improper and inefficient for this government to be second-guessing every single personnel decision made by Curragh Resources. As long as the company is making the opportunities available publicly, and is reporting on the benefits publicly, I do not think it would be a good use of this government's time to be second-guessing every one of their personnel decisions.

Question re: Northern Canada Power Commission

Mr. McLachlan: This is to the Minister of Government Services regarding transfer of the power commission. Is the Minister prepared to release, this week, the proposals from the private hydro operators, who have responded to the government's proposal for taking over the NCPC operations as he promised this House he would do last week?

Hon. Mr. Kimmerly: I promised to be in a position to answer this question, I hope, this week. I have caused officials in the civil service to contact Yukon Electrical Company Limited and to obtain their position as to the public release of the agreement. We are considering the economic impact, if you will, of the release of the proposals that the Member has specifically asked about.

I will repeat, as soon as it is possible to do so, which means as soon as the appropriate people have been consulted, the decision as to a release will be made. I will inform the Member forthwith.

Mr. McLachlan: I heard detail on one particular company. Does that also include the other proposals received from outside the Yukon as well, B.C. Hydro, Manitoba Hydro, et cetera.

Hon. Mr. Kimmerly: Yes. I attempted to answer both questions, both with respect to the proposal and the letter of understanding with YECL and the other proposals, I understand, a request from the Member to make those documents public. The concerns I have are the permission of the other parties and the commercial value of that information, and we are looking into that

most carefully with a view to making public what we can legitimately make public.

Mr. McLachlan: The Minister seems to indicate that there is a substantial sum of money involved, and it is suspected that it would be our intentions to see that revenue stay here so I am not entirely understanding of his answer. I am more curious about the part that says, "of that part that we feel we can release". Why would it not all be released? What do we have to hide?

Hon. Mr. Kimmerly: The government has absolutely nothing to hide. The private companies made the wish to keep information to a limited circulation because of the commercial value of that information. I am simply being careful and consulting with all of the parties involved before a decision is made.

Question re: Housing in Faro

Mrs. Firth: Why is the government selling the trailer units for removal from Faro only?

Hon. Mr. Penikett: As the Member will know, part of the arrangement whereby the housing market is essentially privatized in Faro — in other words housing goes from company hands and goes from company housing to private ownership or ownership by the employees — is that the Yukon government not create or maintain circumstances that would so depress or alter that market as to make that a totally unattractive option for the employees.

As the Member knows, the number of people working at the mine, because of the productivity increases hopefully achieved by Mr. Frame and Curragh, means that there will be probably be, in the short run, a smaller population there. We do not want to be in competition with the private sector operating housing there. That is why we agreed to remove, from the market, the trailer units that we purchased there.

Mrs. Firth: It would seem that the trailer units would be less expensive for the people to purchase and live in. Why is the government not able to do that? Have they made some commitment or are there conditions attached that they not depress the market or be in competition and, if so, who are those arrangements made with?

Hon. Mr. Penikett: In buying the property in Faro, it was clear from the beginning we did not want to be in competition with the real estate person, or the person who is offering the houses for sale or rental purchase to the employees. If we left those trailer units in that town, there would be surplus housing capacity. We have a second mortgage on those houses. If we left those trailers there, and there was nobody to occupy the houses, everybody would lose — Curragh, the real estate proprietor and this government.

The removal of the trailers is in recognition of the fact that we are going to have a substantially smaller workforce. There is very attractive housing there for the employees that will be offered at a very attractive price as compared to Whitehorse. We are simply, by acquiring the surplus housing, also removing it from that market.

Mrs. Firth: Was that taken into account when the government determined the price that it was going to pay for the real estate? Could the Government Leader tell us whether he is prepared to table the second mortgage?

Hon. Mr. Penikett: I am not sure what the Member means when she asks, "Was it taken into account?" The price of the acquisition, I understand the \$1.6 million, was really established by the previous government. In putting together the housing arrangement, I think we built in the \$1.6 million. I think it was the number being used anyway, \$1.6 million. The specific number of units, or the specific acquisitions for that \$1.6 million, was, of course, subject to negotiations between our officials and Curragh's.

I am advised that the second mortgage is a public document, as are all second mortgages.

Question re: Carcross-Skagway Road

Mr. Nordling: My question is to the Minister of Community and Transportation Services regarding the opening of the Carcross-Skagway Road. The Minister has told us that an agreement with the Government of Alaska to open the road, which was reached in October, was not signed as the Governor changed his mind. The Minister stated that he was forced to negotiate a new agreement and

seemed to be saying that the new agreement is better than the old. Exactly how is this new agreement better than the old one?

Hon. Mr. McDonald: The preamble to the Member's question is largely correct. We anticipate the agreement, which we hoped to have signed very soon, perhaps in Skagway, perhaps in Haines Junction, to be a good agreement for a number of reasons. The term of the agreement, in our estimation, is a better term than previously determined under the old agreement.

Clearly, the extra cost associated in having to revert to the straight 50/50 cost sharing arrangements with the Alaskans will mean added costs to Yukon. That unfortunate circumstance means that there will be added costs in that one item under the agreement. But, on balance, our position is that, judging from the first principles upon which we negotiated the agreement, it is a good agreement for the Yukon.

Mr. Nordling: I commend the Minister. It appeared that we were being held for ransom by the Alaska government, and he has come out of it looking quite good. Do we have a figure as to the extra costs associated with the new agreement?

Hon. Mr. McDonald: It is anticipated that the additional costs, with a 50/50 cost-sharing of the Alaskan side, as opposed to our forces using existing equipment maintaining the six kilometres, would be approximately \$73,000.

Mr. Nordling: Why does the Minister believe that the term is better now? It seems that it has gone from a short term to a ten year term.

Hon. Mr. McDonald: The reason I think the term is better, is simply that it creates a climate of certainty not only for Curragh, who require the roads for their purposes, because the road agreement essentially allows for the road to be open for a specified period of time. Also, it allows some certainty for other operators in the territory to know that the road will be open for a specified period of time so that they can take advantage of this shorter transportation corridor themselves.

Question re: Bulk Commodity Transportation Agreement

Mr. Lang: This is a major change in principle as far as that road agreement was concerned. Why is the agreement for 10 years, when the mine life is projected to be seven years?

Hon. Mr. McDonald: The item we are discussing is not a major change in principle. It is a reversion to the original principles, from which we had initiated negotiations. The reason for the 10 years, as I stated, is simply that it was felt the Yukon should benefit from the operation of this road, all of Yukon, and they were required to have the knowledge that the road would be open for a specified period of time, long enough so they could take advantage of it and use it.

Mr. Lang: On October 28, 1985, the Government Leader stated as follows: "We are talking about seven years. The downside 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 those risks, we decided it would be smarter to tie into the life of the mine."

How does that relate to your response to my question now? Is that not a major change in principle? If not, explain to me why not?

Hon. Mr. McDonald: No, it is not a major change in principle. The cost-sharing arrangements with the Alaskans drop away should Curragh close prior to the 10 year life of the agreement. We would not then be bearing any O&M costs on the Alaskan portion of the road at all. They will drop away should the mine close.

Mr. Lang: How can you say this agreement is better than the previous agreement that you tabled in this House? If Curragh Resources quits operating we, the taxpayers of the Yukon, are still responsible for a minimum of three years for the capital expenditures accrued on the American side. How can you say that is a better deal than the agreement that you had in October?

Hon. Mr. McDonald: The three years refers to capital costs that will be associated directly with heavy trucking activity that would be travelling on the road. If both sides determine that, in fact, damage to the road shows up for a period of three years after the agreement terminates, we will agree to share 50/50 if that damage can be attributed directly to the heavy trucking traffic

associated with the ore haul.

We believe this road is going to be a major boost to Yukon economy in terms of a better transportation corridor to the heart of the territory. The O&M expenditures on the Dempster Highway, on which there is a good deal less trucking and general traffic, are approximately three times what we project for the Alaskan costs for the Carcross-Skagway Road.

In comparison, this deal, given our O&M costs, and given the use of the road and the critical importance of this transportation corridor, is as good as you can get in this territory.

Question re: Task Force on Family Violence

Mr. Coles: Could the Minister of Education advise the House as to why his department did not make a submission to the Task Force on Family Violence as requested to do so?

Hon. Mr. McDonald: I have no knowledge of the matter that the member mentioned. I assume that communications between the Department of Education and the Department of Health and Human Resources are typically good. Therefore, information would be transmitted between the departments and the Task Force. I am not sure what, specifically, the Member is referring to. Perhaps he could elaborate a little further in his supplementaries and I will have it checked into.

Mr. Coles: In its report the Task Force wrote that it requested the Department of Education to make a submission with regard to the effects of family violence within the school system, to which the Department of Education did not respond. We want to know why.

Hon. Mr. McDonald: If the Member wants to know, I want to know. I will find out.

Mr. Coles: The Task Force also recommended that corporal punishment be abolished in schools. Is that going to be a new policy of the Department of Education?

Hon. Mr. McDonald: The question of corporal punishment in the schools is a difficult one to resolve, given the Charter implications of corporal punishment. Currently there is no anticipated change in the policy expected. Currently it is left up to the principal of the high school to determine what the corporal punishment will be, upon the advice of the local school committee.

There are legal implications to that policy. We are trying to establish conclusively what they will be, but we may never be able to establish conclusively what they may be. Currently, there is no change in policy anticipated.

14 Question re: Carcross-Skagway Road

Mrs. Firth: I have a question for the Minister of Community and Transportation Services about the Skagway Road. In the reconstruction and the upgrading of the Canadian side of the Skagway Road, are there going to be tourist pullouts constructed? If so, how many and at what intervals?

Hon. Mr. McDonald: It would be difficult for me, even during the O&M Estimates, or Capital Estimates, to be able to provide that kind of technical detail without advanced warning.

I do not know where the tourist pullouts will be or how many will be constructed. Presumably, we will discuss the requirement for tourist pullouts with tourism and the tourism industry so they can take full advantage of the scenic beauty along the road. I do not have that information in front of me.

The engineering now is just about to be undertaken this summer. The full engineering work would incorporate that kind of work into its study.

Mrs. Firth: My supplementary is to a different Minister, however, regarding the same subject. Does the Minister of Tourism have a joint position with the Yukon Visitors Association regarding this issue of tourist pullouts? If not, why not?

Hon. Mr. Porter: No. As the Member can obviously gather from the Minister's reply to her earlier question, there has not been a firm decision by the government taken with respect to the question of whether or not there should be pullouts constructed.

In terms as to whether or not there will be, I leave that to the future to decide, and thank the Member for what is a good suggestion.

Mrs. Firth: Perhaps I could ask the Minister of Tourism if he is talking to the Minister of Community and Transportation Services, and expressing to him the position of the Yukon Visitors Association. Obviously the Minister of Community and Transportation Services has not discussed it with them. We found that out in previous debates. The road construction is to start soon, and I am sure the Yukon Visitors Association has the position that they would wish either Minister to be made aware of. When is that going to be done? When are the people going to be consulted?

Hon. Mr. Porter: I would like to inform the Member, and the House, that the Department of Tourism had initiated discussion with the Board of the YVA as early as last summer, suggesting that the YVA develop a position with respect to the tourism-related conflicts on the Carcross-Skagway Road reconstruction project. That was followed up further by representation by the department with the YVA in the fall. As of today, I am not aware of a firm position that the Yukon Visitors Association has developed on this particular question. The Department of Tourism is available to make available whatever resources it can possibly make to the YVA to assist them with respect to issues related to the Carcross-Skagway Road. Should they come forward with any suggestions or positions, we would undertake, in our meetings with officials from the Community and Transportation Services department, to make them aware of whatever position is being taken by the YVA.

15

Question re: Prospectors Assistance Program

Mr. Nordling: My question is to the Minister of Economic Development regarding the Prospectors Assistance Program. It was mentioned in the Throne Speech that the government is designing its own program in this area. When will this program be in place?

Hon. Mr. Penikett: I want to thank the Member opposite for his first question to me in his critic role. The answer is a few late nights, and God willing, it will be available April 1st.

Mr. Nordling: Who is assisting in the development of this program? Is the private sector involved at all?

Hon. Mr. Penikett: The program guidelines, the regulations that we propose to govern the program, including the level of assistance, which we are proposing to increase, has been the subject of continual consultation with the Yukon Chamber of Mines. Every single dimension of the program that we intend to put in place has been done in full consultation with that industry organization.

Mr. Nordling: Does the Minister have an estimate of the cost of the program, and will monies be available this mining season?

Hon. Mr. Penikett: Monies will be available this mining season. It is impossible for us to know with great accuracy yet what money will be required to operate it. As the Leader of the Opposition will know, when you are dealing with what is, in effect, a program transfer from the federal government, we are very interested in having the money that was in their base to run this program put in our base. We are still interested in negotiating that amount, and that is why we have not committed specific dollars in the 1986-87 budget, because I want to negotiate the transfers of the money necessary to run the program from the federal government.

Re question: Carcross Skagway Road

Hon. Mr. Penikett: While I am on my feet, I have an answer to a question, which was one of many in connection with the Skagway Road, asked yesterday. The question was put to me, "When will the signing date be?" I am pleased to announce the signing of the deal will take place between myself and the Governor, Bill Sheffield, in Skagway on Friday, April 11th, at 2 o'clock. We will be joined in the ceremonies by Community and Transportation Services Minister, Piers McDonald, and the Alaska Commissioner of Transportation, Dick Knapp, the two people who are principally responsible for negotiating the arrangement.

Question re: Northern Canada Power Commission

Mr. McLachlan: To the Minister of Government Services: as the Minister well knows, any change in operation and ownership of the NCPC assets requires a change in the *Power Commission Act* at the federal level. When has Mr. Crombie indicated, if he has indicated it at all, that he is prepared to take these changes to the

House of Commons?

16 Hon. Mr. Kimmerly: The premise of the question is not accurate. The Member stated that, as I well know, the change, or the transfer, will involve a change in federal legislation. I know no such thing. In fact, the Yukon government has obtained a legal opinion to the effect that no such legislative change is necessary if a part of NCPC is transferred. The legal technicalities are important because the wording of the enabling legislation is quite general. It is our position that a change in the federal law is not necessary. A change in the federal law may occur. Lawyers would call that an abundance of caution provision. We have no objection if it occurs; however, it is not necessary.

Mr. McLachlan: Can the Minister tell this House when and where Yukon Electrical has gained all its experience in the operation and maintenance of a large hydroelectric installation?

Hon. Mr. Kimmerly: Yukon Electric is part of a large international company, which has significant experience. It has very substantial experience in the territory and probably more substantial experience in Alberta, but also internationally.

Mr. McLachlan: I understood that the idea of the thing was to have the control based here. Sure, if we have to go back to Alberta, that is exactly the point we were trying to make. What is the point? The NCPC have those experienced people in Edmonton, too, which we were getting rid of by bringing the control back here.

Hon. Mr. Kimmerly: I wonder what the Member's point really is. He appears to be saying that we should not be contracting with the YESCL. He used the word "control". Let me repeat again, to be redundant, in fact: we are not giving up control over the NCPC assets. We are acquiring control over the assets and the power generation function. We are managing it in a most responsible way. If the Member has any criticism of that, he should come forward with why he thinks it is not responsible to have a management contract with the private sector which is done to a great advantage in many, many jurisdictions.

17 Speaker: The time for Question Period has now elapsed. We will now proceed with Orders of the Day, Address in reply to the Speech from the Throne.

ORDERS OF THE DAY

ADDRESS IN REPLY TO SPEECH FROM THE THRONE

Clerk: Motion moved for address by the Member for Old Crow, adjourned debate, the Hon. Mr. Porter.

Hon. Mr. Porter: Along with all Members of the Legislature, I, too, wish to express my personal thanks and best wishes to Commissioner Doug Bell and his wife, Pearl. I have seldom heard in this House such inspiring and meaningful words as those Mr. Bell delivered in his closing remarks last Thursday: "The strength of a tree, they say, is in its roots. Perhaps it so of the land and its people. We shall then grow tall and straight and strong."

I will always remember those words, and let me say to the Commissioner that the guidance and wisdom he has shared with us all will most certainly help as we continue in the future to try and live up to that prophesy.

I would like to take this opportunity to make a few remarks about my home constituency of Watson Lake. It has been a busy and productive winter for the people of Watson Lake. As with other communities in the territory, there are many issues of concern and I have spent many hours with my constituents listening and working with them toward the resolving of those issues. I was extremely pleased when over 100 people turned out to the second public meeting held by myself in January to ask questions of myself and other Cabinet colleagues who were also in attendance at that meeting. I wish to thank those people who came out and the many others in Watson Lake who continue to provide input and advice to the government.

I would also like to extend congratulations to the Watson Lake Ski Club for the tremendous efforts of its volunteers in providing another successful winter season of skiing. I was pleased that the government could assist the club with a grant to purchase an

additional T-Bar to improve the facilities.

A few weeks ago I had the pleasure in participating in a ribbon cutting ceremony to open Yukon Electric's new diesel generating plant in Watson Lake. The plant is one of the most modern and fuel efficient operations of its kind in North America. As well, construction and renovations made a significant contribution on the economy of the area through the funds of local contractors and the purchase of local materials.

LEOP grants were awarded for five different projects in my riding in the past winter. The Liard Indian Band received assistance for the construction of a new band hall and in building fireguards. The Watson Lake Rod and Gun Club, the Ski Club and the Town of Watson Lake all participated in the program administered by my colleague, the Member for Mayo. These were the community projects that assisted in putting many people in the community of Watson Lake to work, over the past winter.

I am optimistic that the conditions in the community will be getting better in the future. We have a long way to go but I will continue to work hard on the projects, such as the streetscape program, Coal River Springs Park, campground improvements, forestry-related initiatives, trapping and other initiatives with the people in the area to ensure that Watson Lake continues to grow and achieve its goal of being one of the most attractive and thriving communities in the Yukon.

Let me now turn to the comments made by the Members opposite during the Throne Speech debate. First, I would like to thank the Member for Riverdale South for the comments that she delivered in her speech. I believe it that it is the spirit of constructive criticism, that were delivered in the speech by the Member for Riverdale South, that will, I believe, over the long run, engender a good progressive debating atmosphere in the House. I think that one of the problem areas with being in Opposition is that, so often, it is easy to fall into the mentality of simply criticizing for the worth of criticizing, whichever government is the power. I was glad to see a clear departure from that point by the Member opposite and I hope that the mood expressed by her conveys itself to the Legislature as a whole. I look forward to that particular atmosphere generating good constructive debate in the budget debates.

18 Now to the comments from the Member for Riverdale North and, in particular, from the Member for Kluane. I would like to take a few minutes to set the record straight, so to speak, about some of the comments expressed by them.

First, I will comment on the obvious contradictions reflected in the speeches in the Members opposite. They criticize government studies, but commend the green paper exercise for soliciting public comment. They criticize or lament the cost of programs outlined in the Throne Speech, but urge government to pursue responsibilities for new programs such as freshwater fisheries management and forestry management. They criticize initiatives before completion of the green paper, but commend the Minister for establishing an agricultural branch, a subject which was addressed in the green paper.

While it is appreciated that the green paper covers a range of topics, not all of the subjects addressed in the green paper were of interest to every individual Yukoner. In an effort to prepare Yukon communities, organizations and individuals for meaningful participation in the select committee meetings, the department conducted information sessions in Yukon communities well in advance of the select committee meetings. This enabled community residents to acquaint themselves with the content of the paper and with the process. As a result, in a part of this preparatory work, approximately 500 people attended the meetings and participated in the discussions. This level of response is one of the most successful efforts to involve the public in a discussion of this nature that has occurred in the territory. The select committee, in addition to the meetings, received 45 written papers, which is an indication of the level of interest given to the consultation process by Yukon residents. As well, representatives from the Trappers Association, the Parks and Recreation Association, the Chamber of Mines, the Prospectors' Association, the Chamber of Commerce, the Economic Development Committee, the Yukon Conservation Society, the wilderness guides, the Forestry Industry Association, the CYI,

media representatives, Department of Renewable Resources staff and federal representatives were involved in the information sessions. These information sessions were, in large measure, responsible for the success of the select committee hearings.

Approximately 800 to 1,000 copies of the department's green paper were distributed throughout the territory and to Members of the Legislature just prior to Christmas. An additional number of the green paper reports, bringing the total to 3,000, were distributed in late December and early January. A further 2,500, bringing the total to 5,500, were distributed prior to and during the select committee meetings. The community information sessions were all completed prior to the commencement of the select committee hearings in almost all communities at least one week in advance of the select committee meeting taking place in that community. The information sessions with the various associations and groups occurred six weeks prior to the select committee meetings.

I wish to tell the House that I am extremely pleased with how the green paper exercise worked. I would also like to take this opportunity to thank the members of the select committee for their hard work and special efforts in contributing to its success. I would also like to thank the many Yukoners who participated in the public hearings and, lastly, members of my department who worked so hard during all preparatory phases of this project. I might mention that the Clerk's Office of the Legislative Assembly provided invaluable experience, as well, to the whole process.

¹⁹ Initiatives that the Department of Renewable Resources will be taking under my direction during the coming fiscal year do not in any way compromise the work of the select committee. Rather, these initiatives will form the base for further work that we anticipate will flow from recommendations made by the select committee in its report to the Legislature.

One of these initiatives, the predator control work, conducted in connection with the Finlayson caribou herd, was an urgent ongoing program requiring attention to facilitate the rebuilding of that caribou population. The decision was taken, after a public meeting on the issue of predator control was conducted in Whitehorse, and a further meeting in the community of Ross River on the same subject. The clear message from these meetings was that this project should continue, and the decision to do so was made.

This decision in no way thwarts the capacity of the select committee to make recommendations to the Minister of Renewable Resources and the department. I might add that the process of involving the public in the discussion on predator control included the distribution of reports on the issue of moose and caribou management and predator control policy options. These reports were distributed to the public 10 days to two weeks in advance of the public meeting. It further involved a public discussion by a panel of representatives of organizations which have taken a strong interest in these issues over time.

The public forum also permitted approximately 200 Yukoners to be present and participate in that discussion.

While we are on the issue of public participation, I would like to turn to page 43 of the Yukon *Hansard*, dated March 19. The hon. Member for Kluane very specifically, in the *Hansard* records, indicates in his statement that the green paper was drafted in such a manner as to "set interest group against interest group, wilderness guide against outfitter, conservationist against miner, agriculturalist against others".

That seems to be the opinion expressed by the Member for Kluane. I would like to disagree with the Member. I think that the Member should have realized that the reason for the green paper exercise, one of the many reasons for it, was to encourage debate in our community. Debate does not necessarily have to be partisan. It does not necessarily have to be vicious. It does not necessarily have to be personal. Debate can be a healthy environment in which people of different opinions exchange ideas between themselves. Hopefully, during the process of debate, if we have different sectors of the community engaged in a constructive debate, the end product is much more representative of what the two sides feel is a fair compromise.

I think that my actions and the actions of the department, with respect to the whole question of the public consultative process, is

indicative of a wish of this government to encourage that kind of healthy debate in our communities. I think that we can look to the predator control program and to the green paper exercise for evidence of that. We can also look to the initial meetings that were held with respect to discussions on the whole issue of the anti-fur movement.

I participated in structuring a meeting that saw representation from a wide, diverse group of representatives from our community. At that meeting I was told by members of those various groups, which included members of the Conservation Society, the Bands, the CYI, the Fish and Game Association, the Outfitters and Trappers Association, that it was one of the few times in their history that they were ever brought together in a room and asked their collective opinion, and asked for assistance by the government, and asked to collectively work together on a project of common interest.

²⁰ From that particular time on, we moved that process throughout. I think that a continuation of support by myself and this government for that kind of process can only help to take a lot of past, seemingly, controversial issues and bring them before the representatives of these organizations, put them on the table and have discussion. It can only be a good measure toward the betterment of our communities in the Yukon.

In some instances, I think the disagreement of the Members' opposite stems more from the political desire to be on the other side of the issue as opposed to a real recognition of the worthwhile exercise and the end product of it.

On the subject of fisheries transfer, I would like to report to the House and the Members that I met with the previous federal Minister of Fisheries and Oceans to indicate my clear intention to pursue the transfer of this responsibility to the Department of Renewable Resources. It was very early in our tenure as a government when Mr. Fraser occupied that post. After the departure of Mr. Fraser from the position, a similar method was conveyed to Mr. Nielsen, the interim Minister of Fisheries at that time. After Mr. Nielsen had given up that responsibility and the federal government appointed a new Minister of Fisheries, whom we hope will last a while, I also took similar measures to inform that Minister of this government's position and desire to acquire the responsibilities for freshwater fisheries in the Yukon.

The department has been active in overall fisheries matters, including active participation and discussion on Yukon River salmon harvest allocations. Those meetings have been taking place between ourselves, the Alaskans, members of the federal US negotiating team, and our negotiating team on a continuous basis. Meetings were held as recently as last week on that particular issue.

In discussions on Yukon River salmon, one of the areas that we are now moving on to, aside from trying to get an agreement on the overall harvest allocation between the two countries, is the prospect of having to deal with the international impact on the fishery resource. That is something that was indicated as a concern earlier on in the debate. We understand now that the government of the United States is moving to conclude an international agreement with respect to the Japanese fishery of that resource. There were grave concerns expressed by us. Those have been relayed to representatives of the State of Alaska. We feel that we are getting shortchanged with respect to the fishery resource as relates to the Alaskan harvest of resources, and we feel that both countries, to a large extent, are suffering tremendously as a result of the activity of the international Japanese fishery, which takes place off the coast of Alaska.

The information that I have received is that there have been up to 174 boats operating by Japanese interests, taking salmon that conceivably could be bound for the Yukon River system. I hope, over time, that our government and the Department of Fisheries in the State of Alaska and the US federal government can manage a collective position on that.

²¹ Our department has also been involved in discussions on the subject of fishery regulations drafting. The purpose of these discussions has been to hasten the process of changing regulations to respond to fisheries management needs. The department has also been looking into the matter of fishing lodge operations to attempt

to reduce the potential conflict between fishing lodges and the outfitting industry and other resource users. These have been discussed with the Department of Indian Affairs and Northern Development and the Department of Fisheries. The value of the freshwater fish resource is recognized and the desire to assume responsibility for the management of that fishery has not diminished.

We cannot, however, assume these responsibilities without ensuring that we have the necessary resources to manage the fishery adequately. This is an area we will continue to press upon the federal government and it is a thing that the Government Leader has expressed publicly. The government is in a position of supporting measures of devolution from the federal government to this government, but the bottom line in every case is that we will only accept those responsibilities that we feel are adequately resourced.

The issue of freshwater fishery management transfer has also been raised in the Land Claims Secretariat, since the Council for Yukon Indians clearly has an interest in the resource. There have also been informal discussions with the CYI on this topic and their support for this move is anticipated. The CYI has been actively involved in salmon discussions and there has been a very good feeling of cooperation developing between the CYI and the Department of Renewable Resources based on our common activity with respect to the international salmon talks.

I also wish to use this opportunity to speak on one of the most exciting projects that I have been involved in since I became the Minister of Renewable Resources. On March 5, 1986, it was my honour, as well as my privilege, to participate in the culmination of the wood bison transplant project with the release of 34 wood bison into the bison compound at the head of the Nisling River.

The wood bison transplant project marks a major effort in cooperation among several groups over the past few years. It represents the Yukon government's strong commitment to the active enhancement of our wildlife resources and it is in keeping with Canadian and world efforts toward the protection and conservation of endangered species. This project has the support of the previous Ministers of Renewable Resources, Mr. Howard Tracey, and Mr. Brewster, who represents the riding of Kluane, and I acknowledge and appreciate their efforts. This project could not have been completed without the contribution and involvement of a number of wildlife agencies and interest groups. The Canadian Wildlife Service played an extremely active role in all phases of the project and took exceptional measures to ensure the availability of bison and their safe transportation to the corral. The Yukon Fish and Game Association has contributed time, effort, encouragement and support in large quantities. It has a significant share in the success of the project. So, too, the Yukon Outfitters' Association, the Safari Club International, the people of Carmacks and the Little Salmon-Carmacks Indian Band have had major roles to play in supporting the transplant and ensuring the holding corral was completed despite difficult construction problems. Private citizens in the area contributed their support, as well, in a variety of ways.

The project has provided employment to local people and northern work experience to Katimavik youth. It stands as an excellent example of cooperative problem solving and a cooperative effort among different groups to meet an important common goal and I think the involvement of the Katimavik youth on the project clearly demonstrated the worthiness of the continuation of that program. I have made my views known on that subject to the Prime Minister of Canada, and the Government in Ottawa as they have decided to cancel the project.

22 The major objectives of the Yukon government's renewable resource department is to conserve and enhance wildlife populations in the territory for the sustained use and enjoyment by Yukoners and visitors to our region of Canada. The release of a new herd of bison in the Yukon strongly reflects the government's firm commitment to the growth of healthy and diverse big game and small game populations throughout the territory.

Transplant programs, together with other projects such as habitat management, will be a continuing means whereby the diversity of our wildlife and a viable number of wildlife species are ensured in the Yukon.

The elders of Teslin and Carcross have stories about wood bison in the southern Yukon years ago. It was a proud moment for me, a Member of this Legislature, a person of aboriginal ancestry, to have participated in that program. In a way, I found it ironic that, as an aboriginal person, I was participating in a program to re-introduce a species that, at one time, had faced extinction as a result of the policy of manifest destiny that the Government of the United States and all its colonies undertook at the turn of the century.

With careful consideration, resources and active management, bison numbers are growing in Canada and the world. The species that was once close to extinction is now increasing in numbers. Bison are still an endangered species and, with transplant programs and with careful monitoring of herds, it is hoped that in the not too distant future they can, one day, be removed from the endangered species list.

The release of these animals is important, not only to the Yukon, but also to the Canadian and world conservation communities. The release is timely. The Yukon government has endorsed the principles contained in the recommendations of the Task Force on Northern Conservation. We are preparing to participate actively at the World Conservation Strategy Conference in Ottawa at the end of May, 1986. The release is symbolic with the government's serious intention to ensure the conservation of the territory's and the nation's magnificent wild creatures.

I would also like to record my sincere thanks to all the people, local residents, departmental staff, volunteers, Canadian Wildlife Service officials, drivers, workers, and all who contributed, making this a very successful project.

While we are on the issue of reintroducing species and transplants to the Yukon, I would like to state that it is our intention to continue discussions with the managers on Elk Island toward targeting a transplant of elk to the Yukon, hopefully by late fall next year.

In concluding remarks today, I would like to again express my optimism and confidence in the capacity of our government to improve the quality of life for all Yukoners. As you can tell by the magnificent weather we have been having, this morning at least, and yesterday, spring is here in the Yukon. I would like to say that this has been one of the most exciting springs that has probably been seen in years in the Yukon.

We have had the conclusion of the Yukon Quest held here. We have had the running of the Caribou Classic dog race. We have had a new record establishing the Percy De Wolf dog race. We had the Junior Canadian Ski Championships hosted in the city this spring. We had a good Rendezvous. We had a good CBC concert program, which they have put on over the years, called the True North Concert. Unfortunately, we have been told it may be one of the last ones. It was a good concert, and hopefully it will not be a last effort on CBC's part.

Also, all of this was culminated in a very successful series of Arctic Winter Games that many say have been the best games held to date. There is a good sense that we are going to do as well, if not better, in the community of Fairbanks, Alaska.

23 All of these activities have taken place over the last few weeks and have made many people in the Yukon proud of their individual achievements. All of those activities could only have happened, and could only have been successful, with the hundreds of volunteers throughout the Yukon who participated in many of those events.

I think that, throughout those activities, we have shown our best to the visitors, and we have shown that we can operate in a spirit of cooperation with a sense of mutual respect and friendliness. It shows, to other people of the north, that we are serious in working with them on a partnership basis.

In conclusion, such feelings, I hope, will inspire Members in this Legislature so that we can all do our best for the people of the territory, who, in my mind, deserve nothing less.

Mr. Lang: I would like to begin, as a Member of this House — I may go so far as to call myself the Dean of this House, as far as longevity is concerned — like all other Members, by passing on my thanks to Doug Bell in his position as Commissioner, and the job he did on behalf of Yukoners. Those who attended the other evening

will recall my comments about the tumultuous time that Doug served in the capacity of Deputy Commissioner and, at one time, the Deputy Administrator before he moved on to the position of Commissioner. The time and the effort he put in, and his personality, contributed a great deal to the major steps in political evolution that this Legislature took. This evolution, in turn, led to the various prerogatives that the government side of the House has a responsibility to exercise.

I also want to give a very loud welcome to my new colleague, Mr. Alan Nordling. Alan worked very hard, as we all know, in the past election. He is going to bring a new perspective to the Legislature, not only from his educational background, but also from having lived in a rural community, Dawson City, and then by representing a constituency in Whitehorse. I do not say that from a partisan point of view; I say that from a legislator's point of view. I think it is a positive step for the people in this territory.

I would also like to give a hardy thanks to the people who contributed so much time and effort in organizing and putting on the Arctic Winter Games. As my colleague, the Minister of Renewable Resources stated, a lot of work and effort went into it. I would like to give a special congratulations to the Board of Directors, Mr. Bill Wray, president of the Host Society who put the time and effort in, over and above the call of duty, night in and night out, to make these a successful games.

I want to make an observation. I found it very difficult to be in the House and have the Arctic Winter Games running simultaneously. I know that the Alaskan Legislators were coming to visit. We had that visit as well as the Canadian Parliamentarians on that special committee from the House of Commons; therefore, I think a great many of us did not get an opportunity to participate in the games to any great degree.

²⁴ I make this observation: we only host the games once every six years. In the future, I think that House sittings should be scheduled around the games. Like all other Members, I hope to be here six years from now, so I think we should be thinking ahead and planning ahead for that date.

I would also point out that it has been very difficult for the media to cover all the events as well. We are dealing with some very major items in this House and perhaps they did not get the coverage they could have. It was not the fault of the media. They were trying to cover five different events at the same time, which, literally, is impossible. I make that observation as a Member of the House, not from a partisan point of view. Those are just my own personal observations.

I think a number of initiatives that the government is taking on are positive for the territory. The one that comes to mind is the pricing of lots in communities. It is an area that I think is overdue by a year or two. Trying to get costs down so that the land remains affordable is a step in the right direction.

I should point out, in defence of the time and the year, that those land decisions were made with the approbation of this House. Our economy was on an upswing and development was coming forward. I do not think there was any argument in this House, from any political party, that land development was a priority and that we had to proceed accordingly.

I do not think it has hurt us that much. For example, there is going to have to be a lot more housing built in the community of Whitehorse. Porter Creek C is going ahead, which I am sure the MLA for Porter Creek West will be happy to see. More housing starts are taking place, which, I think, bodes well for the territory. I can say for other communities, as well.

I want to just make a point here. I have a reservation regarding future land developments. I know that the testing of land for water and for the viability of septic systems has been an obsession with the other side of the House. I want to caution the government. Those are added costs to the buyer. Willow Subdivision in Haines Junction is a prime example, which I think I spoke of a week or so ago. Those costs are going to have to be taken on by the buyer of the lot. If that is not the case, it will be the general taxpayer. Perhaps a little bit more of a review process was in order, but I caution the steps that are being taken now. We are talking two years, for example, before rural residential properties are to be

made available. I refer to the statement by the Minister of Community and Transportation Services who presented that to us last week.

All these things are going to cost time; it is going to cost money. I really think you are going to have to take some caution in this area, because the working stiff, the guy who wants to buy a lot, is going to reap the repercussions, and that is going to be more costs. ²⁵ I also applaud the government's effort to get banking services in the communities. I think it is a step in the right direction if it is possible. We will have to be very careful at what the costs are going to be. Contrary to what was said in the budget speech about banking services never having gone out for tender before, it did, approximately three or four years ago. There was a call to the various banks about what kinds of services they were prepared to provide. Hopefully, the government will be more successful this time around. There is substantially more money in the public treasury, which may make it that much more attractive to the banks to provide more of a service to those communities that are lacking at the present time.

In some respects, I think that the government deserves some credit in the efforts of the Curragh agreements, where they have them. At the same time, I also think that there is room for constructive criticism about the lack of initiative, in some areas, by the government as well. It seems to me that more and more information is coming out in this House as we ask questions, as opposed to what I thought would have been presented to us.

I was surprised, quite frankly, to find out today that those particular mobile homes had to be moved out of Faro as part of the condition of purchase. I was not aware of that. I question that as a condition of the purpose of those particular units from a number of perspectives. What costs are the government going to get back if all of them are moved out? We are going to get less, because whomever purchases them will have to move those units out of the community. That is an added cost to the buyer. The shape of the mobile homes in question is another one. Are they capable of being moved out?

I asked the Government Leader for a list of the prices of those mobile homes, which he provided to me, and I appreciate that. I have to question whether or not those units are going to be able to be moved any distance without it being a major cost to the buyer. We are talking about units that are effectively 10 or 11 years old. That is one element that I think we have every right to question.

Who are we to say what is in the best interest of those employees and what they should purchase? If I was working in Faro and I could get relatively nice accommodations for \$8,000 or \$10,000, as opposed to buying a stick-built house for \$40,000 or \$50,000, I would take a very serious look at those units.

That is the other side of the coin as well. As far as that arrangement is concerned, I would caution the government just to find out what is in writing and how far that commitment goes. I will be asking further questions. Then there is the aspect that we bought the land that those mobile homes are on. If we cannot locate mobile homes on the land what do we put on it? Do we buy an empty lot? Did we give someone a grant in disguise of buying land? If we did, we should be up front and give them a grant. It does not make sense, from the taxpayers point of view, that we have land and we are not going to utilize it.

I am going to be looking forward to seeing the agreement or lack of agreement. That brings me into my first observation, which I think is valid. What is beginning to concern me is that, in 10 months of office, we still have some Ministers standing up and saying "it was you, the Member of Porter Creek East". I just want to let everyone know that those particular arguments are running thin and, quite frankly, because I have not been government for 10 months, I am sure there are many people out there who wish I was. ²⁶ Secondly, I think it is wearing thin, as far as the general public is concerned. The decisions you are taking are your decisions. You should be able to stand up and defend those decisions on their merit rather than blaming the Alaskans, blaming the Member opposite, or blaming someone who is not even here. I hope the Minister of Community and Transportation is listening.

I should just point out, for the record, that it is interesting to note

that the Minister, who has been there for 10 months, was saying that it was really not his place today to be able to answer for the Member for Riverdale South with respect to tourism pull-outs. I find it hard to believe that the Minister has been here for 10 months and does not realize that that would be a major political decision to be taken by government. Not by the bureaucrats, by the politicians, because it is not in the standards set down by the engineering department, contrary to what he told the Member for Riverdale South. I hope that the Minister of Community and Transportation is taking in this information I am giving him. In the same manner, I would like to think that he sees me as very constructive in putting forward information that, perhaps, he can utilize in the future. Perhaps he could talk to the Minister for Tourism, as well, as far as that is concerned. It is a major concern to the travelling public, contrary to some statements made from the other side.

While I am on the topic of lack of contracts and lack of agreements, I would like to refer to the Carcross-Skagway Road again. We are looking at a signing ceremony, a week Friday, I believe, and I am glad Mr. Knapp is going to be there because I think he has done very well in negotiating and I think the Governor should give him every accolade.

The Minister of Community and Transportation Services stood up a week ago in this House and said he had a better agreement than when he started out, when he handed it to us in October. He argued for a week-and-a-half or ten days in this House that the Governor reneged on the deal and he had to give everything away. Yet, at the same time, we had a better deal. Then he stood up in this House and said we are going to pay a minimum, a minimum, of \$73,000 a year for the agreement, over and above the agreement that was negotiated in October of last year, but it was a better agreement. Now it is a ten-year agreement and the taxpayer of the Yukon is paying — and these are 1986 costs — \$730,000 more than the agreement which was presented to this House in October, but the Minister, in the usual manner that he presents himself to this House, said it was a better deal.

I say to the Member opposite, I would like to know how it would be a better deal if it is going to cost us \$730,000 more than what the previous agreement was? That is not counting the three-year commitment that we have to the State of Alaska if Curragh Resources quits running. That, in itself, is a substantial commitment as well.

²⁷ I do not mind if a Minister stands up in this House and says, "Look, I had to make this decision. I had to make changes, and these are the reasons why." But, to stand up in this House and try to buffalo the public as well as ourselves saying, "We are going to pay \$730,000 more and you are going to like it because it is a better deal". I find that very hard to believe. It is not even plausible.

The government should be taking better care of the taxpayers' dollars. You have that money in trust. It is not your own money. I am sure that if it was his own money, he would not be telling his wife it was a better deal.

Regarding agreements, or the lack thereof, over the past 10 months, I harken back to the Porcupine caribou herd agreement that the Minister of Renewable Resources was so pleased to present to this House. At the same time, we could not discuss it publicly because he made a commitment to somebody living in the Northwest Territories, who was not even a legislative body.

I am talking about the care and the attention that has to be given to agreements. I refer back to the point that was not well publicized. The Minister of Renewable Resources was going to sign a constitutional document, not just a document, that would have effectively cut us off from our North Slope. The Member who caught that mistake was the Leader of the Official Opposition, who had accompanied the Minister to Old Crow for the signing ceremony. The signing of that would have been negligence.

I am very, very pleased, as a Member of this Legislature, that at least one Member of this House was prepared to read that agreement, prepared to understand the implications of it, and made the necessary recommendations for change prior to signature. That would have been a very dangerous precedent if it had been agreed to by the government.

Speaker: The hon. House Leader, on a point of order.

Hon. Mr. Porter: The Member for Porter Creek East stated that I was prepared to sign a document that would have constitutionally cut the Yukon off from its north coast. That is totally untrue. The Member is referring to a map that had a drafting error in terms of a line indicating the land boundaries of the Yukon. If the Member can say that can be construed as the Yukon giving up constitutional authority, then I think that the Member is misinformed and has no knowledge about constitutional matters at all.

Mr. Lang: I guess I was so misinformed that they made the changes upon the recommendations of the Leader of the Official Opposition.

If you are right, why was the Minister of Renewable Resources prepared to sign it without that change?

Speaker: Order. These kinds of things should go on in Question Period.

On the point of order, there was no point of order. Does the Member wish to continue?

²⁸ **Mr. Lang:** I am talking about agreements and the lack of agreements and would like to reiterate a very major concern that has come forward in the last couple of days. That has to do with Curragh Resources and the lack of agreement under the contribution agreement with Curragh Resources and the federal government. I want to register my complaint, as an MLA and as a Member on this side, that the Government Leader, in five-and-a-half months, has not impressed upon the proponents of this mine the importance of the guidelines for local hire and local purchase.

I have some sympathy for the Government Leader when he talks about not becoming involved in the everyday running of business. That is not our intention as an opposition. We are saying that there should be a clear understanding of guidelines that the company should be following if they are going to participate in the subsidiary contribution agreement under the master agreement by the federal government and the territorial government. It is very clear and unequivocal. We should not be talking about this after the horse is out of the barn.

Where one caterer did not get the opportunity to bid on the work that was being provided, the fact that there appears to be more and more people who are coming from outside the boundaries of the Yukon, and they are welcome I should say, they are Canadians, but at the expense perhaps of Yukoners. When I get calls as an MLA asking what is going on and where do I stand, and I say, the Government Leader stood up in this House and said to us, as he always says to us, and pontificates to all Members of this House, "I have an understanding with Mr. Frame". Well, we know what that understanding was worth. That understanding is worth nothing unless it is in writing. I want to impress upon the side opposite it is no big deal. He talk about how complicated it is and all we want is four or five principles agreed to by the various parties as far as what local hire is and what is local purchase, and how you go about it, recognizing full well that there are people from outside these boundaries who will tender these projects as well. The common denominator, in most cases, or at least some, will be the bottom line, because it has to compete in the world of international economics.

I understand that. I think, in all fairness to this side of the House, and I am sure the MLA from Faro will agree with me on this — he does not agree with me much as he seems to be defending the government most of the time — that there was no reason that those particular principles could not have been enunciated or agreed to. Then we are not in a situation where a constituent of mine in Porter Creek West does not get a job and has to go to Mr. Penikett and pay homage and then Mr. Penikett will make a call to Curragh Resources and see if it is under the guidelines of local hire. That is ridiculous. I am telling the side opposite I am getting more and more calls as an MLA on that particular element of the Curragh Resource project.

While I am on it, last night I raised the question of the pay and how much people are getting paid. It is a concern. It is a concern from a number of points of view. I recognize that the union agreement, which was there previously, was totally uneconomical. Nobody will argue that. There are concerns being expressed by people that they cannot, working there, depending on what they are

doing, pay their bills. That is of concern when we are dealing with public money, as far as that particular mine site is concerned.

²⁹ I want to talk about agreements and contracts. I have never seen anything so poorly handled in my life as the fiasco that we experienced over the question of regulations for the purpose of contracting directives. It is still not over. I will put the Minister of Government Services on notice because there are some very legitimate outstanding questions that are going to have to be asked and answered by the side opposite.

I take a look at what is happening as far as the youth jail across from the senior citizen's home goes. We had the Member of Whitehorse North, during the election, telling everyone that we do not want this up by the Kopper King Trailer Court knowing full well that it really was not up to the Government of the Yukon; it was up to the municipality for zoning. I do not disagree. Maybe it was not a good place. I am not going to argue that. I find it hard to believe that we are going to put it across from a senior citizen's residence. That makes a lot of sense. This is the caring government across the way.

At the same time, at what expense, and what steps are being taken. Here we are looking at a situation which is a youth jail. The side opposite had better have a look at what they are doing. I am saying this from a social point of view, not necessarily from a financial point of view.

On top of that, for \$187,000-plus, we have bought a house and a swimming pool, which the Minister of Human Resources, who has not consulted the Minister of Recreation, is planning to fill in. The side opposite will come back and say that they could not rebuild this house for the replacement costs. They will come back to us and say that if we were to rebuild this house that way, it would cost us more than \$187,000, plus whatever renovation costs are concerned.

I question the propriety, the political wisdom, of buying a house with a swimming pool for, what I would term in the nomenclature of us old guys, juvenile delinquents, especially when there is a pool a block-and-a-half away. They ought to give their heads a shake. What are we doing with the taxpayers dollars? At the same time — I am confused and I am sure the media is confused — we have a task force running around with my good colleague on the far left of me asking what we should do with young offenders. Yet the same government, simultaneously, has taken the money that is held in trust for all of us to put a youth jail across from the liquor store. That is a very good place — across from the senior citizen's home. And, they have bought a house with a swimming pool. We have not finished making any really definitive decisions as to what we are going to do. Surely, we have every right to question decisions of this kind?

Other questions come to mind, other areas which I think are important from the perspective of financial management. Tomorrow we are going to be discussing the merits of the \$1 million expenditure for a liquor warehouse.

³⁰ It is an expenditure, I think, that every Member in this House has every right to question, especially in view of the objectives presented by the side opposite, as far as liquor is concerned. I think we have a right to question the allocation of dollars over the course of this winter. We see \$100,000 going to the Guild Hall. We see \$60,000 being spent for the purposes of a theatre and upgrading that particular facility and for the purposes of reviewing what theatre facilities are necessary for Whitehorse.

At the same time, I do not know how much money has been spent, but plans are in the works to put it in the Yukon College. I say to you that the right hand does not know what the left hand is doing.

It is difficult for me, as the Guild Hall is in my riding. I have to question the fact that we have put in various levels of government, I do not know, \$100,000 or \$150,000 prior to this grant being announced by the government. I go around to the communities, and people are saying, look at the money being spent; look at it being wasted; this guy is getting this and that guy is getting that.

I really do believe the side opposite should be getting into a position, after 10 months, of being able to allocate dollars in such a manner that they are done in the best interests of the public. I find it difficult to believe that the Member opposite can defend that kind of

expenditure. On top of that, we have the ruthless interference by the Minister of Government Services into private enterprise, which I was so happy to see my colleagues to the far left support, a principle that the janitorial service should remain in private hands, as opposed to becoming a direct burden and cost to the taxpayer of Yukon. Why not?

The Minister of Government Services says it is only \$200,000. Poof. Piece of cake. There are a lot of people in Porter Creek East who think that is a lot of money. A lot of money. There are a lot of people out there having a tough time paying their mortgage.

What do we have under the largesse of government, brought forward by the Government Leader, very pompously, to us all, coming to talk to his disciples? He says we are going to manufacture our own furniture. Eleven thousand dollars for my floor and the Deputy Ministers, and everybody else gets it for \$7,000. I really have to question the propriety of government officials who think they should have furniture in their offices totalling in the neighbourhood of \$11,000. You name me one person outside government who has furniture worth \$11,000 in his office. Just name one. I am not asking for two, I am asking for one. Talk about a preferred place to work. Talk about the Taj Mahal. We are getting there. We are not that far off.

I can see what the side opposite is trying to do, trying to get something locally generated here. I want to caution the Members opposite that it should be done in such a manner that it is logical, that it is competitive, with not only what is being serviced here, but elsewhere, for the purposes of exporting. That makes sense to me. I really have to question the wisdom of going into that kind of business when I find out, in discussions with furniture salesmen, that two large firms in the past year or two years in western Canada went broke.

I also have to question the wisdom that is being portrayed by the side opposite, when they estimate that \$500,000 a year is going to be made available for government furniture. That is a lot of money. That is a lot of desks. What happened to the desks that people are using?

³¹ The way I see this budget, we need 30 new desks. I have been told that 20 or 30 have already been working for the government. What are they doing? Are they standing outside, milling around waiting for their desks to be made? I have to seriously question putting that much money forward, and I understand that it could well be put forward for a three year period. That is \$1,500,000. A million and a half dollars. That is a lot of money. And at \$11,000, not too many desks.

I should also point out for the record that, at one time, there were some people who were considering buying a desk for the Government Leader's office — when we were the government — which cost in the neighbourhood of \$10,000. When the political arm of government found out about it, it was vetoed. If I recall correctly, the Leader of the Official Opposition at that time, who is now the Government Leader, took quite an exception to the fact that it was even being considered. I have to agree with him on that. I had to agree with him. How things change.

We talked further about financial management and the increase in government spending. I want to make what I think is a valid observation here. One option that has not been discussed which, hopefully down the road, will be discussed, is reducing taxes. In view of the financial situation of the government, and knowing the financial situation of the government, as opposed to expanding government and the bureaucracy and the government space that is necessary, why was there no consideration given to reducing the taxes? But, no, we have a Speech from the Throne that my two colleagues, one for Tatchun and one for Faro, are going to have to agree with, that increases taxes and at the same time brings in a deficit, working off the surplus that had been accrued in years past.

I am not saying that no argument could be put forward that previous governments had been too prudent, as far as expending money. There were other options. I think that the side opposite should have considered it. I think that they have been remiss in their responsibility.

While I am on my feet talking about the financing of the government, my concern, which is becoming more and more

evident as we go through the budget, is not necessarily what is in the budget, but what is not in the budget.

We have only been on debate on general principle here for approximately four or five hours. We have found out that the Skagway Road expenditures are not in the budget, which are in the neighbourhood of, depending on the deal the Minister of Community Affairs made for us, \$700,000, whatever the case would be. I do not know what the estimates are. That is going to be an increased cost. The interesting thing about it is that they are asking for vote authority for a commodity bulk tax. They remembered to put that in on the revenue side. It is incredible how things work.

The Prospector Assistance Program that the Member for Porter Creek West asked about in Question Period is a \$1.00 item. The Government Leader says he thinks he is going to get the money from the federal government, for a program that was discontinued. Regardless, that money is going to be expended, but it is not in the budget.

The question of further government space, and I sympathize with the Minister of Government Services in trying to sort this out, especially when we are talking about 30 or 40 new people. That is substantial. The costs are going to be ongoing, and it is going to be substantial. That is not in the budget.

³² Last night we talked about the recreation facility and the possibility of the municipality of Faro assuming those responsibilities. There is no question that the Minister of Community and Transportation Services is going to have to become a part of those direct negotiations. With that in mind, that is more money that is not in the budget. What else is not in the budget? The Minister of Community Affairs tells me I do not know what I am talking about and then, at the next Question Period, stands up and says the Member of Porter Creek East knows what he is talking about. He did that. You cannot have it both ways. In deference to the Member opposite, I am just trying to give him information that probably has not been brought to his attention.

They talk about the expanding roles of the Yukon Housing Corporation. Those monies are not in the budget and there are going to be some interesting questions. They are talking about major social housing programs. Those would be substantial burdens on the taxpayers of the territory.

Speaker: Order. I would like to remind the Member that he has two minutes to conclude his speech.

Mr. Lang: It is going to be tough because I have a lot to talk about. I would like to conclude on a couple of outstanding constituency problems. I had the opportunity of opening the curling facility in Whitehorse with the Government Leader. The Government Leader so kindly pointed out that he was not in government when the decision was made and the putting up of that facility in his riding was obviously a nonpartisan decision.

There is a program that is very dear to my heart, and to the many people in the Porter Creek area who happen to be living on streets that have not had any upgrading at all to speak of over the course of 10 years. I would like to see a program instituted, on behalf of that government, that could be put into place for those people, rather than looking at it as a city riding that we do not have to worry about because it is Conservative. I am going to be pursuing that question with my colleague, the Member for Porter Creek West, and you are going to have to come up with some answers.

Another concern that we have, and it is being talked about more and more, is the question of the cost of power to the consumer. That is an area that, I think in this budget, has been corrected to some degree, if they have utilized the monies in a manner that looks at the cost to the consumer and are able to bring down the cost making more disposable income from that money, rather than from the largesse of government. We are going to have a long and endearing relationship during the period of this session.

Mr. Nordling: I am very honoured to be speaking today in reply to the Speech from the Throne. As this is my maiden speech, I would like to take this opportunity to address not only the Assembly but all Yukoners and share with them some of my thoughts.

Firstly, I would like to thank Doug Bell for his many years of

service as both Acting Commissioner and Commissioner. I am proud to have been sworn in by Commissioner Bell as one of his last official acts. Secondly, I would like to say thank you to the voters in Porter Creek West who elected me to be their representative in the Legislative Assembly.

To begin with, I will be directing much of my effort toward a number of issues which affect my constituency.

³³ The streets have long been in need of upgrading, and there are street lights missing in several critical areas. One area in particular is along the Mayo Road near Mile 1.8 where the school children must wait in the dark for the school bus for much of the school year. The safety of our school children, as they journey to and from school each day, is one of my many concerns.

My constituency includes the oldest and the newest areas of Porter Creek, Crestview, the McPherson Subdivision and the west side of the Mayo Road to the Takhini River Bridge. Thus, it represents a good cross section of Yukon society. The people of Porter Creek West are hard working individuals, and I am proud to be serving them and, in turn, all Yukoners. I intend to represent my constituents in a realistic, practical manner, using a commonsense approach to problems as they arise.

I would also like to assure all Yukoners, of whatever political stripe, that I will listen and strive to represent their best interests.

During my campaign, I found many people disillusioned and generally fed up with elections, politics and politicians; however, there was much genuine concern over the direction in which the NDP government is taking the Yukon. Many of those concerns have already been expressed by my colleagues in the Conservative caucus, and also by the two Liberal Members. Many people fear government intervention in their private lives and businesses. I believe that these people do have valid concerns and fears.

The Members of this Legislative Assembly must strive to instill confidence in the people of the Yukon. In the past 10 months, this government has not made much progress in that regard. In the words of the Member for Tatchun, the government, since taking office, has either been in neutral or reverse. This government started its tenure in office by directly interfering in the affairs of the Yukon Native Courtworkers Society. The Minister of Justice met with the society and set out several conditions whereby his government would continue to fund the association. The society agreed to all the demands that it fire the staff. Pursuant to the agreement signed by the Courtworkers Society and the government, the society was to have full control over hiring and firing of employees. The Minister of Justice did not get his way, as the board voted to support the staff. As a result, he simply gave notice and cut off the funds, putting the society out of business and drastically reducing a much-needed service.

The Member used his position and power as Minister to get his own way quickly and without using more proper procedures.

Another example of this sort of arrogance was seen when the contracts were let for work on the Tatchun/Frenchman Lake Road near Carmacks. The Minister responsible took it upon himself to disregard the contract regulations and awarded contracts to the people of his choice, rather than the lowest bidder who could satisfactorily perform the work. The Minister then took it upon himself to sign an agreement costing taxpayers \$100,000, which he said was to obtain the relocation of a road right-of-way.

³⁴ Upon review of the agreement, there is not one single mention of a road, nor the relocation of a right-of-way. One can only conclude that this expenditure was not necessary after all; it was just something that the Minister personally wished to do.

If newspaper reports are to be believed, it appears that the Government Leader himself tried to use his position as Government Leader to cash a cheque. These Ministers should know better and if they do not, they should not be where they are. All Members of the Legislative Assembly should be looked at with confidence and respect in their integrity.

The consultation process of which this government is so proud is a sham. It is obvious that the government is doing whatever it wants regardless of the consultation process and, in fact, making final decisions while the consultation process is still going on. The Members for Kluane and Porter Creek East have referred to several

specific instances of this in their replies to the Speech From the Throne.

The next major concern I have is the apparent lack of fiscal responsibility being exhibited by this government. Problems must be identified and dealt with through hard work and effort, not by throwing money at them. The Throne Speech did a good job of identifying problems and issues which are of concern to Yukoners. Many points made are very valid. I have no problem with many of the ideas contained in the Throne Speech; however in implementing the programs and plans mentioned, two things must be kept in mind.

Firstly, government must be fiscally responsible in implementing the projects and solutions outlined. No long-term benefit can be achieved by throwing money away. For example, we should not be building super-highways where tote roads will suffice.

Secondly, a very practical, commonsense approach must be used in all areas. What is politically expedient is not necessarily beneficial to all Yukoners.

The Yukon is a small community of only 25,000 people. Nobody is fooled by a government, of whatever political stripe, which says one thing and does another, or does nothing at all. As I mentioned previously, it is a sham to consult after a decision has been made, or to say one will consult and then proceed to do whatever one wants.

There are serious problems in the Yukon which must be addressed. One of the most serious was identified on July 13, 1982 in this Assembly. The present Member for Watson Lake said, and I quote, "We must quit trying to sweep the alcohol problem under the rug, hoping someone else will clean it up for us. Nobody but the people of the Yukon are ever going to effectively deal with this devastating disease. I say it is about time we faced up to the reality of our situation and take immediate action to combat alcoholism in the Yukon."

³⁵Now that the Member for Watson Lake is a Minister of the government, I would invite him to take immediate action and to lead the fight against this most serious of Yukon problems. I do not believe a tax on alcohol, or an addition to the liquor warehouse, will suffice.

A just and equitable land claims settlement in the near future is also a major concern to virtually every Yukoner. The economy is slowly recovering and business is picking up. In this area, I applaud the government's One Stop Business Shop. If only the government would realize that small business is the backbone of our economy, and without it we would be a stagnant welfare state. Prosperity comes through individual initiative and rewards, not through the building of a bureaucracy, as proposed in the Throne Speech.

After listening carefully to the Throne Speech, and watching this government in action for 10 months, there is no doubt that if the Yukon is to thrive and prosper, the NDP should be our social conscience, and not our government.

Applause

Hon. Mr. Penikett: May I commend the Member for Porter Creek West on his maiden speech. He has told us that he is going to address this House in a realistic and practical manner, and he is going to take a commonsense approach to things. I want to say, on behalf of all Members on this side of the House, what a refreshing change that is going to be with respect to that side of the House.

If I have one bit of advice for the Member, and I hope he will take this to heart, I am not quite as elderly as the Member for Porter Creek East, but I am the second most senior Member of the House, and that is, "Be careful what he says to his hairdresser."

The Member has also said something about consultation being a sham. I certainly know that was the view of the former government, and one of the reasons why they were defeated. It is one of the essential differences between this government and the former government. This is a democratic government, not a dictatorial government. It is a New Democratic government, and we seek to achieve a new democracy in the Yukon Territory, one in which we consult and listen to the people every day, not dictate to them for three or four years, and then have democracy for one day every three or four years, which was the rule and the principle espoused

by the House Leader of the Official Opposition in his many years in this House. It is an approach we reject absolutely.

I had not intended to enter this debate at length at all. I think it is still possible I may be brief. It depends how the passions move me and how the blood rushes through my veins in the next few minutes. I do want to say that, as usual, I found the speech from the Member for Porter Creek East entertaining but, as usual, of little educational value.

As usual, he said many things that were provocative. He said some things that were designed to be hurtful, I suppose. He said many things that were critical, and he even said one or two things that were true. I was thinking particularly of the beginning part of his speech, when he was being so positive and constructive and caught us all off guard. In the many years we have seen him in this House, that has been an extremely rare opportunity to see him in that kind of mood and that kind of posture.

³⁶He had a number of things to say that were so nonsensical that I do want to rise to correct them, not because I feel any necessity to engage in ritual combat with the Member, but it is possible that one or two people in the public, who take the Member seriously, might rely on what he says as information. I want to correct those misimpressions, if any have been left.

He said something about young offenders, or people he referred to as juvenile delinquents, being located near the liquor store. We are extremely interested in hearing him say that he thinks it is a bad idea that should never have been done and denounced the government for doing it, but it was a decision taken in 1980 by the previous government.

Back in 1980, the previous administration began to locate, in that facility, the kids who are having trouble. The particular building, the Admissions and Assessment Centre continues to be used by the present administration. That was five or six years ago. It was located near the senior citizens' facility then; it still is. While I am pleased to hear the new concern of the Member for Porter Creek East, for this mix of facilities in the neighbourhood, it is of considerable regret to me that he did not raise it with his Cabinet colleagues five or six years ago.

It is interesting too, to hear the Member opposite criticize the decision we made in respect to janitorial services. There seemed to be some implication in his statement that somehow this government had made an ideological decision that he did not approve of. Of course the previous government did not do any feasibility nor any kind of study of the alternatives before they made their decision, which was clearly ideological and threw out number of people who might not have had employment, people who were given special access to employment at a fair wage by this government to do those jobs. Of course the consequence of laying them off is that a number of those people have not since been employed, and they were replaced by people who were earning much less, and as many citizens pointed out and complained to this government, the look, appearance and quality of cleaning in this government deteriorated dramatically.

But we do know that the Member for Porter Creek East is a man of high principle. We do know he is ideologically committed to privatizing such things as janitorial contracts. Wherever he has an opportunity, he would obviously want to see that principle put into place. And that is why, being perfectly consistent, and being a man of high principle, he never did permit private janitorial contractors to clean his office. In fact the people cleaning his office, during the time he was a Minister, continued to be the public employees, the public servants who did a high standard of job before and remained on the public payroll throughout. Of course he did that as a man of high principle and being a great right-wing ideologist that he was, and is.

It is interesting that in the leaps of logic for which the Member for Porter Creek East is well known, he gives us a piece of information in which we are sorry to hear that two large furniture companies have gone broke somewhere in Eastern Canada. Somehow, therefore, we should not take advantage of the fact that we have skilled craftspeople here in the Yukon Territory who might not otherwise be busy in the winter, put them to work to make something for ourselves, and to create dollars and employment

opportunities here.

³⁷ It was completely inconsistent with the position he took a few minutes ago with respect to Cyprus Anvil and Curragh, but be that as it may, that is not the reason for his opposition. Of course, there is no consistency in his line of opposition except that he is in opposition. He was, as we all came to know and love him, a fundamentally negative person when he was a Minister, and he is still that way. I do not really think we would want him to change because we would miss him if he had a dramatic change in personality.

I should tell you that the sums of money he complains about, the \$500,000, was a pattern of spending not established by this present administration but by previous administrations. If you go through all the expenditures on furniture throughout the government, you will find it that way throughout the government for a number of years, and are expenditures that the Minister of Government Services can confirm for me.

The fact that we are going to have more of that furniture made locally is a profoundly good thing for our economy. We are not going to totally displace the chrome plated furniture that comes from southern Canada, the US, Europe or Asia. That is not likely. We are going to increase the share that is done locally.

The Member opposite talks about \$11,000. That figure is not correct. The number is closer to \$7,000 and \$8,000 than it is to \$11,000. It is interesting that I know of one case where the suite of furniture purchased by the former administration back in 1982 cost more than what we are manufacturing locally in 1986.

He also had a fascinating thing to say about the Prospectors Assistance Program, and suddenly, like the clouds parting, I had a great revelation about why we have had no program transfers under the old administration. It is, of course, because of the quite unique negotiating tactics that are proposed by the Member for Porter Creek East, who has become the House's leading expert on negotiations because we have heard him lecture us on this subject every day of this sitting. He is proposing an interesting tactic to us.

Let me see if I can pursue it logically, in respect to the Prospectors Assistance Program. He is saying that if you have a program like this being utilized, and the federal government drops the program, and there is public pressure from certain interest groups for someone to take it over, — obviously the territorial government — he suggested that we should put the money in our budget to do that. When we go to the federal government and ask for the money to take over this program, I know what the federal government will say, and that is: "What do you need the money for. You can afford it. We do not need to give you any money".

If we did that once, I know what the consequences would be. The federal government would just drop programs right, left and centre and we would have public pressure on this territorial government — it is already happening — to pick up these programs. As long as we would pursue the negotiating strategy of Porter Creek East, we would not be broke for two or three years — it would take that long — but you would see us using up the surplus that the government has in no time at all.

It is that brilliant negotiating strategy that explains why, under the previous government, there were no programs devolved to the government. We are occasionally criticized by a gentleman whose intelligence I have considerable respect for, I must say, the Leader of the Official Opposition, for having no policies.

³⁸ Devolution is one of the areas where it is argued that we have no policy. We want to speak more about that question one of these months, when we get to vote 2, or whatever it is, in the Main Estimates.

I have to tell the Members opposite that I do not want to respond exclusively to the Member for Porter Creek East, although that is the proper thing to do in debate since he preceded me, except for the Member for Porter Creek West who gave his maiden speech, and it is not customary to be rude and abusive to Members following their maiden speech.

I want to say something to the Leader of the Official Opposition on this question of the devolution policy, because I am quite interested in the subject. I have to tell the Member frankly that it is not as big a priority with us as economic development and job

creation. I hope he will understand that. I know it was a big deal for the former government. They wanted to get more and more power all the time. We think putting people back to work and getting the economy going is a little more important than that.

Nonetheless, devolution is important, and there is a climate for it. The federal government does want to devolve programs. That does create an opportunity. Unfortunately, the federal government is also deficit cutting, and they are stripping some of those programs of assets and reducing the resources, which presents a problem. Between that opportunity and that problem is where we have to negotiate.

I have been very interested as I have heard Members opposite tell us that we should be doing more on devolution, and boy, if only we had been there, things would have been really moving. Things would have moved just lickety-split, a program a week, all at once.

Apart from a few mundane problems like where we put these people because, according to reports, one of which was precipitated by the concern of the Leader of the Official Opposition about air quality in his building, there are a number of problems. I searched the files when we came in and said, "Gosh, where are the tonnes of policy on devolution?" The guys opposite say, "Geez, we have tonnes of policy". We discovered that it was apparently the responsibility of a secret committee.

I said, "Where are the secret committee's minutes? I have been sworn in. I have sworn an oath of secrecy now. We need to build on the experience and the policy developed by the previous government. It should not be a partisan issue. We will work on it."

We opened the drawer of the filing cabinet, and damn it, it was empty. They must have shredded all the stuff. I am willing to have public money put in job creation projects, but damn it, I am not going to pay people to come into this building to try and put all those strips of paper back together again so we can find out what the former government's policy was. To me, that would be a damn poor way to spend government money.

If the Leader of the Official Opposition is willing to lend us, for whatever time is necessary, the person who was in charge of this secret devolution committee, which I understand is now a researcher on his staff, and if he will tell us everything he knows about devolution, whatever time it will take — 10 minutes, 15 minutes, an hour — I am willing to have him paid for the use of that person for that hour so that we can build on the policies and the research that was developed by the previous government.

When I have an opportunity, I think I will be able to demonstrate to the House that a lot more has gone on on this question in nine months than was done by the previous government. We have had a problem. I want to tell the Members opposite that building on a policy vacuum is a very difficult foundation on which to build policy.

We have been criticized for not having policy, and I take the Leader of the Official Opposition seriously about this. I think the Leader of the Official Opposition is really criticizing the situation that pertained in the territory for six years prior to him becoming the Government Leader. I think that what he is really saying, and he is being a good partisan and I understand that, is that government has failed, generically, for a number of years to develop policy in a number of important areas.

I think that is a fair criticism. I want to understand him because I think he and I are a party of one on this. I think he and I really should do away with ideological differences on this question. He and I agree that a lot needs to be done in policy development in this government. I hope he will support me as I demonstrate to him in the next few days, or months, or however long this Estimates debate is going to go on, that we are doing things that are valid and useful.

³⁹ I want to tell the Member for Porter Creek East that I do not want him to think I am unkind. I do not want him to think I am mean, but I want to tell the Member that I almost feel like giggling out loud, although I have not, when he gets up and waves his arms and rants and raves about the failure of this government to have a squatter policy. The Member presided over this problem for six years without producing a single thing to this House except promises that we would have a policy. It is amazing to hear him attack the

Member who has done an awful lot in the past few months and will soon be presenting a policy for public debate. We do believe in public consultation, I would like to tell the Member for Porter Creek West. We are not just going to ram it down people's throats and then say, "If you do not like it, wait until the next election." We will ask them what they think, and we are going to talk to them, consult with them and listen to them.

Our dear friend for Porter Creek East always has something to say about the contracts directives. The Member says he is going to listen to this with great interest. I think, when he was Minister, he should have read a very important piece of legislation that was passed by the government of which he was a Member. I am speaking of the *Financial Administration Act*. The *Financial Administration Act* created something called the Management Board.

We have a kind of hierarchy of authority. All Members are well acquainted with it, except, perhaps, the Member for Porter Creek East. It begins with the Legislature at the top, then the Cabinet, then Management Board. The Legislature, as Members know, speaks in the form of resolutions and laws. Cabinet speaks in the form of regulations. Management Board speaks in the form of directives. We did not give the power to Management Board to make decisions in matters like the contracts directives. The former government gave that power to Management Board.

We had some sort of legislative limbo for a period where they were passing directives that do not seem to have any clear statutory authority. The Member opposite had some terrible, awful, nasty, destructive, mean things to say about the Carcross-Little Salmon Indian Band and some work that was done in Carmacks.

The reason the work was done in the way it was, apparently, is that they were following a long-standing pattern practised for many years, practices that, when called to our attention by Members in this House, we moved quickly to correct. That resulted in the new contracts directives, which we also made in consultation with the contracting industry.

I have been waiting for the Member to ask us the kind of questions that will enable us to bring before this House documents that demonstrate how long-standing the pattern was and who — and this I am looking forward to with great delight — were the responsible parties for some of the traditional practices that have gone on for a number of years in this regard. I think that is known broadly as a hint.

The Member for Porter Creek East says he will be here. I do not doubt that he will be here when they close this place. That does not concern me at all. Some of us yearn for better things, but this is obviously a place where the Member opposite feels quite at home.

I hope that nobody on the other side will take offence that I am not entirely persuaded by the arguments that nothing has been done in however many months it is that we have been in government. I have a partial list I would like to read into the record, lest the impression be created in anyone's mind that nothing has been going on here for the last little while.

The Cyprus Anvil Mine in Faro has been reopened, with the eventual consequences of 1,000 jobs being created.

We have had the Local Employment Opportunities Program this past winter, the winter works program which created a significant number of jobs.

We had the capital budget passed by this House, which is going to create many new jobs in the communities. It will create many new facilities which the Members on the Conservative side of the House voted against.

There was a supplementary capital budget, which also produced a lot of jobs.

The One Stop Business Shop has been opened in Whitehorse and has even been paid tribute to by the Member from Porter Creek West, which I am pleased about. That has been a success and is going to be expanded in Watson Lake and Dawson City.

We have abolished the fuel tax for off-road resource industries. We have established the Yukon Development Corporation. We have given a new mandate to the Yukon Economic Council. We are maximizing local benefits from development projects. We are implementing, in many ways, the \$18 million Economic Develop-

ment Agreement. We provided support for the Han Fishery over the objections from the Members opposite.

We are developing a long-term economic strategy to diversify our economic base. We developed a \$2 million resource roads program. We developed a mineral exploration incentives program. We are taking over from the federal government the Prospectors Assistance Program, and revising that program. We have provided support for the Dawson Gold Show.

As well as the One Stop Business Shop, we are providing core funding for economic organizations, a demonstration project for local manufactured furniture, a local materials purchase policy for YTG. The new Small Businesses Incentive Sub-Agreement under the EDA is being looked at, a study to replace imports with local products. We dropped the fuel tax, as I mentioned, for the use of resource companies in the forestry, fishing, farming, logging and mining areas.

We have job retention programs for small business. We have an agreement to manage the Porcupine caribou herd. We have the green paper on the future of renewable resources, which was an issue for great public input and debate and a very useful exercise. We have funding for forestry associations, assistance for trappers to combat the anti-fur campaign. We are establishing an agricultural branch. We are negotiating the NCPC transfer. We are providing interest-free loans by improving the SEAL program to upgrade homes and businesses. We are making YTG buildings more energy efficient.

We are consulting with the public on major issues, on human rights, young offenders, family violence, renewable resources, and we are listening. There is wide consultation with various interest groups, for example, the contractors, in developing something like the contracts directives. We are talking about our legislative proposals in public and in public hearings. We are having regular visits by Ministers out to the communities, and regular press briefings by Ministers in this government.

We have cancelled the Cabinet cars, we have abolished the \$60-a-day wine and aspirin expense account. We have established better relations with communities and organizations, with the objective of us all working together. We are talking about block funding for a community government, and that has been the subject of intense negotiation by our friend, the Minister of Community and Transportation Services. We are increasing capital works spending in the communities. We are decentralizing services from Whitehorse. We are developing community economic planning initiatives. We have achieved the Kwanlin Dun relocation after many years delay. We have moved towards equal pay for work of equal value within the Territorial Public Service. We have upgraded the Women's Bureau to a directorate. We have appointed a full-time day care coordinator and upgraded day care standards. We have increased day care subsidies. We have had the Task Force on Family Violence about which Members heard today. We have a positive employment program coming into the Public Service in the Yukon Territory to make it a more representative public service. Many more women have been hired in senior positions, and many more are going to be. We have the Human Rights White Paper. We have the justice review, and we have the mobile work camp under justice.

We have abolished drinking in vehicles. We have the Fine Option program. We have the Victims/Witness Administration Program. Public education about justice issues is being introduced. Bail and probation services are increased for the communities.

Under Health and Human Resources, we have the safe house program to deal with the question of family abuse. We are expanding the Yukon Opportunities Program to get people off welfare and into the workforce. We are increasing medicare coverage. We have a new home care program. We have upgraded day care services.

We are upgrading the school curriculum in Education. We are pursuing decentralization. We are expanding community learning centres. We have a White Paper coming on training. We have new youth employment programs, and the Work Yukon employment programs.

Land claims negotiations are starting. We have hired a new

negotiator, signed the Memorandum of Understanding to restart talks, and we have agreements to open up land prior to settlement.

On the land question, we have low cost land policy. We have a squatters' policy coming, and we are moving on getting land to Yukoners, both native and non-native.

We have an increased emphasis on local hire at YTG. We are looking at removing the paper credentialism, removing the paper qualifications, so more and more real Yukoners can get to work for YTG. We are going to be reforming the casual situation at YTG. We have a positive employment program, which I talked about. We are increasing training for local people for YTG.

This is just a partial list of the things this government has started and is doing, and has done, in our first few months in office. I am proud of what we have done. I am proud of what we are trying to do. We will have the carping, we will have the criticism and, in some cases, we will have constructive criticism. We will listen to that criticism. We will benefit from that criticism. This is a democratic government. This is a government that is going to try and serve the public interest of the people of the Yukon.

We will make mistakes, as every government does, as every individual does. We will hope that we will learn from those mistakes, and the public will profit from those mistakes. As this Legislature, this institution of government, evolves and matures, the Yukon Territory will be better for it.

Applause

Motion agreed to

Hon. Mr. Penikett: I move that the Address in Reply to the Speech from the Throne be engrossed and presented to the Commissioner in his capacity as Lieutenant-Governor.

Speaker: It has been moved by the hon. Government Leader that the Address in Reply to the Speech from the Throne be engrossed and presented to the Commissioner in his capacity as Lieutenant-Governor.

Motion agreed to

GOVERNMENT BILLS

Bill No. 29: Third Reading

Clerk: Third reading, Bill No. 29, standing in the name of hon. Mr. Penikett.

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

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

Motion agreed to

Speaker: Bill No. 29 has passed this House.

May I have your further pleasure?

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

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

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chairman: I will now call Committee of the Whole to order. Before we begin business, we will take a recess for 15 minutes.

Recess

Chairman: I will call Committee of the Whole back to order. We are on Bill No. 17, *Fourth Appropriation Act, 1985-86*.

Bill No. 17 — Fourth Appropriation Act, 1985-86
On Clause 1

Mr. Lang: In general debate on the O&M Budget, I raised a series of questions which could either be answered here or in the main budget. They had to do with the overall operation and maintenance of the government. For example, in the revenues we had roughly about a \$2.3 million increase for the end of the year as opposed to the prediction of \$41,388,000 on page 1 of the document that we are considering.

I would like a brief description of where our increases in revenues were. I know that there is some explanation to some degree, if I recall correctly, because I am dealing with two documents now. On page 31 we have tobacco, and whatever, but we are looking at a decrease in supplementaries of \$378,000, and in school properties a \$570,000 decrease. Perhaps we could just have a brief explanation by the Minister with respect to that particular area. Perhaps he could comment on the increase of liquor income as well, since we are dealing with a further measure to increase further revenue from that particular avenue.

Hon. Mr. Penikett: Referring, as the Member was, to page 31, the income tax number is the number that is given to us based on estimates by the Department of Finance of Canada. They, as you know, collect our income taxes on our behalf. They are the ones who give us the number for the coming year.

With respect to the liquor income referred to by the Member, that is just a result of the projections on volumes.

Mr. Lang: Is that a total increase in volume, or is that because of the percentage markup on the liquor? If it is both, I would like to know what the breakdown is to give us an idea of what we are dealing with here. There are some contentions in some quarters that with the measures being taken, and proposed to be taken, that we will deal with tomorrow, my understanding is that the Government Leader feels that people will either cut down on drinking or quit. That is going to have a reflection here.

Hon. Mr. Penikett: In answer to the first question put by the Member, it is both markup and volume. In answer to the second proposition about whether I believe the people will all suddenly quit, no, I hasten to add, I do not believe that. I have tried to say that if it proves a disincentive, particularly for younger people who have not yet formed habits in terms of the use of alcohol or tobacco, then it will be a payoff for us with reductions in costs on the health side.

The assumptions on revenues are not based on the assumption that there will be widespread reductions, or that there will be a strong disincentive. It is not based on the assumption that a lot of people are going to be quitting all of a sudden.

Mr. Lang: While we are on that topic, could you provide me with information for when we are going to meet as a Committee of the Whole on the measure proposed by the Minister? Could you give us an idea of what the actual profit or tax in total per bottle is accruing to this government as opposed to the actual cost, of a bottle of Canadian Club, a bottle of London Dry gin and a bottle of vodka? Would he be prepared to provide that tomorrow?

Hon. Mr. Penikett: I will do everything I can to make sure we have that information by tomorrow. Not only that, I will give the Member, free, a comparison with the rates in other provinces and other jurisdictions.

Mr. Lang: Talk about leaving us hanging. I would go from there then to the question of recoveries. We are \$2 million less than what was estimated. I would like to know why. Yesterday, I asked, in general debate of the mains, why there is money left over and in what areas. Perhaps the Minister could enlighten us.

Hon. Mr. Penikett: Is the Member talking about recoveries or expenditures?

Mr. Lang: I am talking about recoveries. Going back to page one, there is \$2,092,000.

Hon. Mr. Penikett: The recoveries that were voted in 1985-86 were \$27,102,000. The year end forecast is for \$25,010,000. That means we are expecting to recover \$2 million less than we anticipated. I will give the breakdown to the Member of where that occurs.

In Community and Transportation Services, there is \$1,147,000 less coming to us as a result of the Alaska Highway agreement for recoverable services. In Economic Development there is \$921,000

less coming back to us as a result of the energy equalization, where the utilization was less than expected. In Education the recovery is...

Mr. Lang: Can I have the figure for Economic Development again?

Hon. Mr. Penikett: \$921,000. Pardon me. I gave a slightly wrong figure to the Member. It is \$924,000 for Economic Development. The major part of which is \$921,000 under energy equalization. In Education, it is \$333,000, which represents \$382,000 under advanced education, less \$37,000 we have received on recovery on schools administration.

⁴⁵ In Finance, we had \$15,000 more in housing recoveries and \$9,000 more as a result of adjudication and workers' compensation, for a total of \$24,000. Government Services, \$2,000 more. Two items there are micrographics and Queen's Printer recoveries. Justice has \$164,000 more, which is made up of \$120,000 Correctional services and \$40,000 Legal Aid.

In Renewable Resources, the amount is \$72,000 more, \$25,000 of which comes from the Heritage River Program and \$47,000 from North American sheep. In Tourism, there is \$47,000 more; \$20,000 is a result of cooperative marketing and \$25,000 heritage and museums.

Mr. Lang: I assume most of that is on the federal side as far as recoveries are concerned. Is that correct?

Hon. Mr. Penikett: Most of the money is federal recoveries, but there are some other details here which I can give the Member information about if he wishes.

Mr. Lang: I would definitely like to know because this is money which was available to us and for whatever reason we did not expend it. I will ask why in the recoveries section, definitely why we are giving back \$1 million or so from the Alaska Highway agreement. I think that bears some scrutiny in view of some comments that were made and also on the principle that it was money made available to us, and we found we could not utilize it, and at the same time we are blaming the federal government for cutting us off various other agreements. One has to balance the other if we have commitments and we are not utilizing the dollars. Perhaps the Minister could comment on that element because it is money that could have gone into the economy that did not. We can argue where it would have been put, but the principle is not being applied at all.

Hon. Mr. Penikett: Let me use Community and Transportation Services, for example. The \$1,074,000 lower recovery was decreased due to the Department of Public Works agreement in which the recovery is based on actual expenditures. So, if we spend less to do the work, we recover less. The other component of that number I gave under Community and Transportation Services is \$90,000, which is called recoverable services. That is the decrease in recoveries due to the difficulty in estimating third-party usage, which is services to third parties.

⁴⁶ **Mr. Lang:** I have a general question. I know I should know the answer to it, but is the engineering service agreement still in place, in view of our financial formula?

Hon. Mr. Penikett: Yes.

Mr. Lang: I am just dealing mainly with page 1. I will have further comments to make as far as recoveries are concerned later. On the capital side, we are dealing with recoveries of \$1.2 million less than what we had voted here in the summer. Why is that?

Hon. Mr. Penikett: That \$1,239,000 is made up of the following amounts: \$1,347,000, Community and Transportation Services, a lower recovery than was budgeted; Economic Development, \$35,000 more than was budgeted; Education, \$43,000 less than was budgeted; and in Government Services, \$116,000 more than was budgeted.

The breakdown on each of those items is as follows. Community and Transportation Services, \$1,347,000, is made up of two items: land development \$921,000 and engineering services \$426,000. The \$35,000 increase recovery over budget in Economic Development is made up of two items: \$28,000 under the NOGAP program, and \$6,000 under the loan assistance program. The \$43,000 item lower recovery than anticipated under Education is under the French First Language program.

In Government Services the \$116,000 recovery higher than was anticipated is made up of the following items: \$100,000 in surplus equipment, \$13,000 in third-party property management, and \$3,000 in contract recoveries.

Mr. Lang: I think we are better off going into the line items when we get to the departments. I have a question now about the transfer of payment from Canada. Why is there a discrepancy of \$4,751,000 less. Is that because we have an increase in revenue locally?

⁴⁷ **Hon. Mr. Penikett:** We are dealing with the transfer payment from Canada on page 1. The changes there result not only from changes in our revenue but as you know they are a mix of things. The federal Established Programs Financing has been reduced. Also, there will be offsets. The changes in income tax will also change the amount of transfers, too. I can get a little more detail on that if the member wants it.

Mr. Lang: Could you explain to the House why the federal EPF has been reduced? I understand the local side of it, where if we raise more money locally we get less under the financial formula on the income tax side. Is that correct? I want to know why we are getting less money for EPF. I do not believe that that is tied in, is it?

Hon. Mr. Penikett: The federal government has made a unilateral decision affecting all provinces and territories to cutback the Established Programs Financing. That was an issue of some considerable controversy at the last Premier's Conference and at the last First Minister's Conference. For the time being, we are protected against adverse impacts of that because we have, under formula financing, a reduction that will cause an increase in our grant that will offset it. For the provinces, it just means a reduction in the total revenue.

Mr. Lang: That does not bear fruit, as far as this page is concerned, because EPF voted to date was \$8,046,000. The revised vote is the same. At the same time, you give me the reason for the decrease as being that there is less EPF.

Hon. Mr. Penikett: I thought the member was asking a more general question. The EPF will go down. The federal government has announced that it is reducing the EPF. I thought you were talking about the question in principle. EPF for us, for this supplementary, will not change but I think for the coming year the new changes take effect in 1986-87. They were announced, not in the most recent federal budget, but in the budget a year ago.

The figure that we have in the budget shows that we are to get \$8,500,000 under the EPF, but there is a reduction coming which does not affect us this year but will in the long run. What the federal government is doing is capping the total the money can increase for Established Programs Financing for post secondary education and hospitals. It is capped at a \$2 billion increase across the country so it will eventually affect us, but not immediately.

Mr. Lang: The \$4,750,00 that we have less under capital transfer payments from Canada you said was in part because of income tax and EPF. Now we have an increase in EPF in 1986-87. Could you please, for the record, clarify exactly what the situation is?

Hon. Mr. Penikett: I am most confused with the question. I was talking about the transfer payments on O&M. He is talking about transfer payments on capital. The transfer payment from Canada used to come separately in the form of capital and O&M. It now comes as one transfer payment. It is up to us to allocate it as between capital and O&M. The change the member identifies in the amount that is transferred from Canada into capital is simply a decision that we have made in terms of allocating the money between capital and O&M, which we can do under formula financing.

⁴⁸ **Mr. Phelps:** Regarding the changes back and forth between capital and O&M that you have the power to do — you have this \$10 million for the holiday pay, et cetera — are there any kind of actual amounts now, as to the liabilities of this government, department by department, with regard to those liabilities that that \$10 million has been set against?

Hon. Mr. Penikett: The \$10 million, at this point, is a best guess estimate. We will be required to do an audit as at March 31 of

this year. We will, subsequently, be able to have a more accurate number. In the meantime, the Auditor General has required us to show that as a liability on our books.

Mr. Phelps: The Auditor General recommended you do it. Let us not quibble over required or recommended. In the event that the \$10 million is substantially more than required, which might be shown as a result of this audit, does that mean that there will be a portion of that money going into surplus?

Hon. Mr. Penikett: By having the \$10 million item in the budget, there will be that authority. If we have less required or more required, then we can only address that once we have an audit of the actual number.

Mr. Lang: On the same front page in the general sense, we voted \$3,900,000 for loan capital. We are looking at an \$800,000 increase, which is substantial from when we sat in the summer. Could you explain to me where that money was expended?

Hon. Mr. Penikett: I will try to explain to the Member how we have changed the original estimate. As he pointed out, the loan capital in the amount of \$3.9 million was voted in the 1985-86 O&M Main Estimates. That was built up as follows: for Whitehorse \$1.3 million; for Dawson \$100,000; for other municipalities \$2.5 million; for a total of \$3.9 million.

During questioning last fall, I indicated that the \$3.9 million was an estimate of what might be required by the municipalities last October. In this supplementary, an additional \$800,000 is being requested. These funds are required because we now know that neither Dawson nor the municipalities require the \$2.6 million originally set aside for them, but \$3.4 million will be required for Faro housing. Thus the allocation of dollars is now as follows: Whitehorse \$1.3 million; Faro housing \$3.4 million; for a total of \$4.7 million.

Mr. Lang: I do not quite understand the loan. Is this for the purchase of the mobile homes with the idea that we will recover those dollars when those homes are sold? Is that the idea we are discussing?

Hon. Mr. Penikett: No. This is the second mortgage on the other houses.

Mr. Lang: All these documents are confusing. I would ask about the purchase of the trailers in Faro and the fact that we are going to sell them. Where are they to be found in this document, or would they be?

Hon. Mr. Penikett: The Department of Community and Transportation contemplates financing the \$1.6 million for that item under the land development and public land acquisition item.

Mr. Lang: That is not as a lone item then, as an in-out situation; it is strictly as a capital acquisition, is that correct?

Hon. Mr. Penikett: Yes, in the same way that we want to sell land, we want to sell these items, too.

Mr. Lang: Perhaps the Member could explain to me, we have \$1.6 million for the housing and then we recover that. Where are we going to get that money from? Who are we paying it to and who are we getting it from?

Hon. Mr. Penikett: The \$1.6 million is money that we pay to Curragh. We recover money as we sell off those properties over time in the same manner we sell other land and properties that we have.

Mr. Lang: I take it that this is the area in which to discuss this. If I am not correct, please tell me. I do not want to pass this item without having full discussion on it. For example, we are talking about bunkhouses and all these acquisitions, is that correct? You are saying that we will sell them; is that what we are talking about?

Hon. Mr. Penikett: If we sell them, the same as we sell lots in Hillcrest or anywhere else, they will show as recoveries for this government on the capital account.

Mr. Lang: Are we not being a little optimistic then? I understand the mobile trailer units, I do not have a problem with that. I understand that we are going to put those up as surplus this year. That is an in-out situation. This one I find difficult to understand being a loan. Would it not be more *apropos* under capital acquisition. Are we not misleading ourselves financially? Who is going to buy the bunkhouse in Faro? Do we have any offers?

Hon. Mr. Penikett: The \$1.6 million is a capital acquisition. The \$3.4 is under the loan capital.

Mrs. Firth: Could the Government Leader tell us if the bunkhouses are being rented? Is Curragh renting them right now?

Hon. Mr. Penikett: We are currently renting them to Curragh Resources, or to Altus, the operators at the mine.

Mrs. Firth: Someone, either Altus or Curragh, is renting the bunkhouses from the government. Is that reflected in here in any form of recoveries or revenues?

Hon. Mr. Penikett: It is not in this supplementary. This is 1985-86. It will eventually turn up as revenue in the 1986-87 O&M Budget.

Mrs. Firth: Could the Government Leader answer my question, just to follow up a bit from Question Period. The Government Leader said he does not really understand the question. When the agreement was originally made to purchase the \$1.6 million worth of housing properties, which I gather includes housing, trailers and bunkhouses, was there any commitment made, or did the government get a better deal because of the fact that the trailers were going to have to be removed from Faro?

Hon. Mr. Penikett: The financing of the mine reopening did not work from that direction. As Members will know, a certain amount of capital was required by the company to reopen the mine. The formula that was worked out by Mr. Crombie and myself, and officials of this government and the federal government, was, in part, a cash-for-assets arrangement that would allow the company to get out of certain businesses they did not want to be in, such as the housing business, and would give the company, as a result of these transactions, sufficient cash to be able to start the mine.

The housing component of this total package, as the Member knows, is made up of \$5 million total, \$3.4 million of which was a second mortgage for the existing, what the Member for Porter Creek East calls, stick-built housing, the actually quite nice housing that they have in Faro, which should be an attraction and an inducement for people to want to live there, especially as, and consistent with the values expressed by I think Members opposite for many years, the idea the employees there would have a commitment to the town by buying the houses on very attractive terms and having a stake in the community.

In order to ensure that that would be an attractive option, from a planning point of view, the company expressed the view that they would never be able to find a developer or anybody who was interested in managing the properties on that scale, if there were alternate forms of highly inexpensive housing available to the same employees. As part of the consequence of acquiring trailers, or the mobile home units, we agreed to remove them from the Town of Faro. We have had a lot of enquiries from people who want to buy them. There are some quite large real estate interests who are interested in acquiring large numbers of them. It is quite possible that some of them could end up on recreational properties, or something, in the Faro area, without actually being in the municipal boundaries. We have no problem with that.

Mrs. Firth: I am not quite sure what the property value is based on then. I understand that the combination of the second mortgage and the \$1.6 million worth of property came to \$5 million. How did you arrive at that? Did you base the property that the government was acquiring on any market value or was it a figure you picked out of the air? Then attached to that was the condition that the trailers were to be purchased and removed from Faro. What happens to the land that the trailers were on?

Hon. Mr. Penikett: To start off with, the Member will understand that at the point when we were putting this arrangement together, there was no housing market in Faro. There was no market on which you could establish any figures. However, the officials of this government did do an evaluation of the properties before we entered the agreement in order to see what we were supposed to be getting for whatever money we were able to put up.

In the long run, as we have heard representations from the other side, that are also consistent with our wishes, is that the Town of Faro not be, in the long run, a single industry town. Obviously, we cannot do this overnight, but we are very interested in seeing that town diversified. We are interested in talking, as we are, to

Canamax, for example and whether it is possible for them to house their employees there. Ross River is also interested in housing the Canamax employees when they go into production, so there are a number of options there.

In the short run, it is going to have a smaller population base that over a number of years, we hope, by seeing the town diversified and expand and perhaps even be a service centre conceivably for one or two other mines in the area, that there will be a market for the land that we will hold in that town and that we can sell it.

Hon. Mr. Porter: I do now move that you report progress on Bill No. 17.

Motion agreed to

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

Motion agreed to

⁵²

Mr. Speaker resumes the Chair

Speaker: May the House have a report from the Chairman of the Committee of the Whole?

Mr. Webster: The Committee of the Whole has considered Bill No. 17, *Fourth Appropriation Act, 1985-86* and directs me to report progress on same.

Speaker: You have heard the report from the Chairman of the Committee of the Whole. Are you agreed?

Some Members: Agreed.

Speaker: I declare the report carried. I wish to inform the Assembly that we will now receive the Commissioner to grant Assent to the bill that has passed this House.

Commissioner of Yukon enters the Chamber announced by the Sergeant-at-Arms

Speaker: Mr. Commissioner, the Assembly, at its present Session, passed a bill, to which, in the name and on behalf of the Assembly, I respectfully request your Assent.

Clerk: *Interim Supply Appropriation Act, 1986-87*

Commissioner: I hereby Assent to the bill as enumerated by the Clerk.

May I take this opportunity to thank you in person for the lovely gift I received on the 22nd from this House.

Hon. Mr. Penikett: Mr. Commissioner, while you are in the Chair for the last time performing your official duties in this House, may I say on behalf of all Members here, congratulations on a job well done and Godspeed and good wishes to you and your wife in your future endeavours.

Applause

Commissioner: Thank you, sir, and may I return the same to each of you. Good-bye.

Commissioner leaves the Chamber

Applause

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

Speaker: It has been moved by the hon. Government House Leader that the House do now stand adjourned.

Motion agreed to

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

The House adjourned at 5:24 p.m.

