



# The Yukon Legislative Assembly

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Number 11

3rd Session

26th Legislature

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## **HANSARD**

Thursday, April 3, 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 Kassi	Old Crow
Art Webster	Klondike

## OPPOSITION MEMBERS

### Progressive Conservative

Willard Phelps	Leader of the Official Opposition Hootalinqua
Bill Brewster	Kluane
Bea Firth	Whitehorse Riverdale South
Dan Lang	Whitehorse Porter Creek East
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

## ADDENDUM

The issue number on the cover of the April 1, 1986, issue of *Hansard* should read, "Number 9", and not "Number 10" as shown.

<sup>01</sup> **Whitehorse, Yukon**  
**Thursday, April 3, 1986 — 1:30 p.m.**

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

*Prayers*

#### Question of Privilege

**Hon. Mr. Penikett:** If I could, I would like to rise on a Question of Privilege concerning the Member for Porter Creek East. For those people who feel that the Member for Porter Creek East has been in the House since this place started, or believe that he has been here for many, many years, it will come as a great surprise to discover that he is, today, having a birthday and that he is only 38 years of age. Having been here so long, there are many people who would wonder, of course, what it was he did before he became a legislator. The answer, of course, is that he was a kid.

On this occasion, I would like to rise on behalf of this caucus, and I am sure all Members of the House, to wish the Member well and to present, in a new, instant tradition, consistent with our local materials-local labour policy, a hand-made birthday card, which was crafted — or should we say plagiarized — by the Minister of Renewable Resources.

*Applause*

#### DAILY ROUTINE

**Speaker:** I would like, at this time, to introduce Angela Jones to the House, who will be serving as Page for the duration of this session.

*Applause*

Introduction of Visitors?

<sup>02</sup> Are there any Returns or Documents for Tabling?

Reports of Committees?

Petitions?

Introduction of Bills?

Notices of Motion for the Production of Papers?

Notices of Motion?

Statements by Ministers?

Are there any questions?

#### QUESTION PERIOD

##### Question re: Human rights

**Mr. Phelps:** I have heard in the media that the government is going to be commencing an educational program with regard to human rights and the human rights issues in the Yukon. I would like to ask the Minister of Justice whether or not the government has now hired the people who are going to be creating and disseminating this information?

**Hon. Mr. Kimmerly:** Yes, one person was hired as a contract researcher, who is reporting now to the Director of Policy and Planning in the Department of Justice. That person was hired five or six weeks ago. I forget the exact date.

**Mr. Phelps:** Can the Minister tell this House how long it is going to take to educate Yukoners about human rights?

**Hon. Mr. Kimmerly:** Not precisely. We are contemplating that the dissemination of information to the public be a complementary process to the White Paper, which will be tabled this sitting. I would expect that it would be completely finished by the fall sitting of the Legislature.

<sup>03</sup> **Mr. Phelps:** What kind of safeguards have been built into the program by the government against out-and-out propaganda emanating from the NDP Government?

**Hon. Mr. Kimmerly:** The instructions to the civil servants, which were given some time ago, were to clearly separate the general issues in human rights from any particular bill or white paper or policy — being the old Bill No. 58 — and subsequent versions and the white paper. I am absolutely confident that

Yukoners are fairly skeptical and are very well aware of what is propaganda and what is not. We have absolutely no intention of carrying out a propaganda campaign, simply a public information campaign.

##### Question re: Land Claims educational program

**Mr. Phelps:** We will be watching that campaign with interest.

On the subject of educating the people of the Yukon, we note that the government, through the Land Claims Secretariat, has hired a person to educate the public about land claims. Can the Minister responsible advise us about this educational program and how long it is going to take?

**Hon. Mr. Penikett:** As far as I know, we have not yet hired a person to carry out that role. As I may have told the Member earlier, we are sensitive to the need for public education on the matter of land claims negotiations as they proceed. It is our hope to have an information secretariat who will work in cooperation with all three parties in getting out objective information about the process. The last time I spoke to the people responsible, a person had not yet been taken on.

<sup>04</sup> **Mr. Phelps:** Does the government intend, on its own as opposed to jointly with other parties at the negotiating process, to embark upon an educational program throughout Yukon with regard to land claims?

**Hon. Mr. Penikett:** Yes, and we would like to do it in cooperation with the other parties. Of course, if we are unable to agree with the other parties about the process or the person or persons we propose to engage in the work, then I personally feel we have some obligations, as the government, to take initiatives in that area.

**Mr. Phelps:** Can the Government Leader enlighten us as to what kinds of initiatives they might be contemplating at this time?

**Hon. Mr. Penikett:** In a general way I can. There is, as the former land claims negotiator knows, much information about the process and about the matters being negotiated that does not need to be kept secret. As he will also know, there is continuing considerable concern for people who are not at the table, matters that may affect their interests may be under discussion. That is one of the reasons why it is our objective, and that of the other parties, to have the negotiations take place in the Yukon Territory and, in some cases, in rural Yukon communities as opposed to the great cities and hotels of the south.

As part of taking advantage of the fact that the negotiators will be in those communities, we think it prudent to have, in conjunction with negotiations, briefing sessions with, perhaps, local band councils, local municipal governments and other interested parties, particularly to advise them about matters that may have been negotiated or are being negotiated in a general way, in their area. Also it would provide them some reassurances about the process and give them some information regarding progress.

I hope that would be able to go on in those small communities. I would hope, at the same time, that if we have a secretariat and a competent person who could brief the media and other interested citizens, that we could do that on an ongoing basis, so the kind of shroud of secrecy that operated in the past would not need to exist and so that citizens who have inquiries to make about the process and progress of the negotiations can be kept informed.

##### Question re: Free trade

**Mr. Coles:** The Government Leader knows the debate on free trade has been leading up across the country for the last year or so. I am wondering if the Government Leader could inform the House what information this government has passed on to the Canadian negotiating team of the effects on the Yukon, whether they be good or bad, with regards to free trade?

<sup>05</sup> **Hon. Mr. Penikett:** We were not originally invited to participate, as a government, in those talks. Following representations we made, we now have officials involved, along with the provincial officials, in the preparatory talks that go on prior to negotiations. As to the position of this government on free trade, we have expressed some support at the First Ministers Conference, and since, for the process to go on. We have expressed some tentative

optimism about the positive impact on prices here, of a bilateral trade agreement with the United States and, simultaneously, some concern about the potential negative impact of a North American trading block on Asian markets for our commodities.

We have recently engaged a consulting firm to hold discussions with various interest groups in this community and with the Economic Council, towards doing an economic analysis of the impact on this community of free trade. Up to now, it has been very difficult, because it was very hard for us, except in the most speculative way, to quantify or to assess the potential impacts of such an agreement on this economy.

**Mr. Coles:** I wonder if the Government Leader could tell us what attempts the government has made to solicit information from private business and private industry in the territory as to the effects that they feel they might receive from a free trade.

**Hon. Mr. Penikett:** The consultant we retained was hired to do exactly that. The consultant was not in a position to be able to talk to every single business, but did consult with various sectoral groups: the Chamber of Mines, the Tourism Association, various kinds of industry groups like that, as well as with the Economic Council and some other organizations that had some opinions or questions on the subject.

**Mr. Coles:** Trade negotiations on the General Agreement on Tariffs and Trade begin in September of 1987, and this also may have great effect on the territory. I wonder what impact our government has had to date on these general trade talks.

**Hon. Mr. Penikett:** As far as I know, there has not been, as there have with the US-Canada trade talks, a formal mechanism for involving provincial governments in the General Agreement on Trade negotiations. As the Member will know, there are continuing rounds of negotiations on the GAT. I cannot say with certainty whether our opinions as a government have ever been solicited on the GAT questions. I would be pleased to find out for the Member and report back to the House.

#### Question re: Whitehorse Assessment Centre

**Mrs. Firth:** Has the Minister of Health and Human Resources found out yet whether or not she needs to apply to the City Planning Board for a zoning change to house young offenders, who require secure custody, in the assessment centre?

**Hon. Mrs. Joe:** I have not tried to find out whether or not we had to apply for rezoning. The place itself has been designated as a facility to hold those young people in open custody and it has been since 1980. We believe that everything that was needed at that time was done by the previous government and that we would be able to go ahead and have it used as a facility for children in secure custody.

**Mrs. Firth:** We are talking about two kinds of custody: open custody and secure custody. This is being changed to secure custody and our information from the city officials is that the government has to apply to the city Planning Board for a zoning change. When will the Minister be making the appropriate applications for a zoning change?

**Hon. Mrs. Joe:** There may have been some changes in the city bylaws in the last few years since 1980 because, in 1984, there was an Order-in-Council by the past government to designate that place as a detention centre, which does the same thing as a secure facility would do and would treat those young people the same way.

**Mrs. Firth:** A detention centre and a secure facility are two different things. Young offenders who are to be housed in a secure facility must be confined in some way. Presently, in that building you cannot confine people. In order for the government to do that they have to apply to the city Planning Board to get the special zoning changes in order that they can have a place to confine young offenders. Is the Minister going to make the proper applications?

**Hon. Mrs. Joe:** It is encouraging to see that the critic for Health and Human Resources is finally getting up and asking these questions, as has been done by the Member for Riverdale North in the past. We will be renovating that place to hold those people in secure custody; those who will be ordered by the court to be detained. The *Young Offenders Act* does not require that we build a place with cells and bars and a hanging noose.

#### Question re: Whitehorse Assessment Centre

**Mr. Phillips:** Yesterday I asked the Minister for Health and Human Resources if any secure custody young offenders had escaped recently from the Assessment Centre. After having an opportunity to research this, can the Minister now tell the House if any secure young offender has escaped recently from that facility?

**Hon. Mrs. Joe:** We have not had any young offenders sentenced to a secure facility who have been in the Assessment Centre. We have had a couple of young people who have left the place. I would like to add to that that it has been designated as a place to house young people in open custody. It is not a perfect place. What it now does was also done under the previous government. Those problems were there in the past, at least since 1980.

**Mr. Phillips:** The *Young Offenders Act* has not been in place since 1980, and her government has been working under the auspices of the *Young Offenders Act*. I would suggest to the Minister, and would the Minister confirm or deny, that, on about March the 20th of this year, a secure custody young offender — who was waiting on remand — did escape, and the charge of that young offender was murder, which is a rather serious offence? Can the Minister confirm or deny that young offenders are, as she says, allowed to come and go? Are they allowing young offenders charged with murder to come and go from that facility?

**Hon. Mrs. Joe:** We have had a number of youths who have been in that Assessment Centre who have escaped. I did not check to find out if, in fact, that young offender was charged with murder or anything else. I am a bit surprised that the Member, again, is trying to put fear into people.

**Mr. Phillips:** I think it is the government that is putting the fear into the people, if these people are allowed to come and go out of an open facility like that and they are charged with serious offences.

Since that escape, has the government housed any other secure custody young offender in the Assessment Centre? If so, why, considering the fact that this home is not now secure and putting these types of young offenders in this inadequate facility poses a serious danger to the public?

**Hon. Mrs. Joe:** It always amazes me that the Member gets up and says things like he does. That facility has been used for the purpose of holding those people in open custody since 1984, since the implementation of the *Young Offenders Act*. We are trying to solve a problem that exists. When we change that into a facility for closed custody, we will have, possibly, six young people at maximum. Now, it holds up to, possibly, 15 or 18. At the present time, the people in there, and child welfare cases, are allowed to come and go, but not as they please, because they are under some direction. Those people who are in open custody right now have to earn the right to come and go. If we have some who have been sentenced to secure custody, at this point in time, they go outside to Willingdon.

#### Question re: Whitehorse Assessment Centre

**Mr. Phillips:** I am glad the Minister mentioned the renovations to change the new facility to a closed custody facility, because that is my next question. When it is converted to a closed custody facility, will the doors be locked 24 hours a day?

**Hon. Mrs. Joe:** They are now locked 24 hours a day.

**Mr. Phillips:** I do not know how they get out if it is locked 24 hours a day. I have done some checking and have talked to the city Engineering Department, and it is my understanding that a centre such as this, that will be a closed facility, will be classed under a B-1 classification. Under B-1 classification, the building has to be made out of a non-combustible material. Is that building made out of a non-combustible material?

**Hon. Mrs. Joe:** The *Young Offenders Act* requires us to have a secure facility. It does not mention that we have to build a kids' jail. Secure custody means custody in a facility designated by the Lieutenant Governor and Council of the province for the secure containment or restraint of young persons and includes a place or facility within a class of such places or facilities so designated. If the Member for Riverdale North has come up with something that

we have overlooked, I would be glad to go back and find out if, in fact, we are doing everything the way it is supposed to be done.

**Mr. Phillips:** Would the Minister undertake to check with the city Engineering Department to find out if doors are closed 24 hours a day in any institution that houses young offenders, or any offenders, that it is a requirement that this building be made of a non-combustible material, which is concrete. If that is the case, would the Minister then advise the House — yesterday she said it was \$10,000 to \$15,000 to renovate that building — what the real cost will be to turn that building into a secure facility.

**Hon. Mrs. Joe:** I am sure that we have very competent people in my department. I am sure we have very competent people in the legal department. I am sure they are looking at all those things that the Member has mentioned. If there are certain things that we have to do, and if there are certain things that he would like me to advise this House of, I will do it.

#### Question re: Northern Canada Power Commission

**Mr. McLachlan:** Two weeks ago, I had a question for the Minister of Government Services in relation to the NCPC transfer. Two weeks ago, in this House, the Minister used the term "Memorandum of Understanding" in reference to the agreement between Yukon Electrical and the Government of the Yukon Territory. Yesterday he tabled a document under YECL letterhead, which referred to the term "letter of agreement". It is my understanding that "letter of agreement" has stronger connotations than "memorandum of understanding".

Can the Minister advise if we have a formal letter of agreement, or is it just a memorandum respecting the conditions of that transfer?

**Hon. Mr. Kimmerly:** In this case, those two phrases refer to exactly the same document. What we have is an agreement to agree, or an agreement to negotiate. In legal terms, we do not have a legally binding contract, enforceable by either side by going to court. We have a letter of understanding that we agree to negotiate further to eventually arrive at a contract that both of us will sign.

**Mr. McLachlan:** Can the Minister advise when this agreement was formalized?

**Hon. Mr. Kimmerly:** I forget the precise date. I will get back to the Member with the date of the letter.

**Mr. McLachlan:** The letter seems to indicate that there may be a hold until further discussions or elements or information could be brought out to the public, until the Yukon Electrical Public Utilities Board sits on this matter. Can the Minister advise if he knows when this date is set or contemplated for the Public Utilities Board to sit?

**Hon. Mr. Kimmerly:** I know that there is no scheduled date at a particular time. The matter will eventually come before that board, at some point. I would expect it would be within the next 12 months or so, but it is impossible to be any more specific than that.

#### Question re: Group Home

**Mr. Lang:** I would first like to thank the side opposite for the birthday card. I appreciate that they are always thinking of me and I can understand why.

I have a question for the Minister of Health and Human Resources. It is largely because of the representation that has been made to me by people I represent. The question is very simple. Why was it necessary for the government to purchase a house with a swimming pool for the purposes of housing, what in normal nomenclature are referred to as, juvenile delinquents?

**Hon. Mrs. Joe:** The department looked at three different homes or buildings that were available at that time, and that was the best deal.

**Mr. Lang:** I do not find that a satisfactory answer. Two hundred thousand dollars is a lot of money. You could buy a lot of homes in the Whitehorse area or throughout the territory for \$200,000. What is the government going to do with the swimming pool?

**Hon. Mrs. Joe:** We have discussed the swimming pool at great length because we knew it was going to be controversial, and we talked to a number of people about it. There has not been a definite decision about it. There has been one plan to cover it over. When I

travelled around and talked to people renting houses and apartments in that area, I also mentioned that to them to get a general idea of how they felt about the pool. A lot of them offered some really good suggestions as to what to do with it, and there was not one person who suggested we cover it over. We knew there would be people opposed to these young people having a swimming pool and we are looking at all the options.

**Mr. Lang:** Did I hear properly? We bought a home with a swimming pool, yet we do not know what we are going to do with the swimming pool? In view of the fact they have not made a decision, when is the government going to make a decision?

**Hon. Mrs. Joe:** The renovations have not started yet, as far as I know, but they will very shortly. We looked at the possibility of covering it over and using it for a training area, and that is probably what is going to be done. It is a decision that has to be made. We know the Member for Porter Creek East does not really want these young kids having a good time, even though they may have broken the law only once, but if there is a pool there and if it can be of some use to other people as well, maybe we will leave it.

#### Question re: Traplines

**Mr. Brewster:** My question is to the Minister of Renewable Resources. Yesterday the Minister advised the House that in the 1984-85 season there were 85 traplines, or 24 percent of total traplines, not being used. Can the Minister advise the House how many traplines have been investigated, and how many have been reassigned?

**Hon. Mr. Porter:** Obviously, I do not have that information to date. Before making a decision to reassign a trapline, the department would have the responsibility to ensure the trapline was not being trapped for a specific reason. What we do not know about the total number of traplines is the reason why they were not being trapped. As I told the Member yesterday, in some instances there may be legitimate personal reasons why those lines were not trapped and, as he is probably aware, there has also been a distinct shortage of the lynx population, and lynx is one of the more highly valued trapping animals. So, in some cases, people may have made a decision simply not to trap this year, or the year 1984-85, and to allow the trapline to rest for a year.

If the Member wishes me to send the department on an investigation as to the details, I will relay that information to the department and, with the limited manpower we have, we will try our best to come up with the answers.

**Mr. Brewster:** I am getting more confused every day. Can the Minister advise the House why, on the day previous, he stated: "if we have any reports of traplines not being used we will undertake an investigation. Should we find that the individuals are not using these traplines then we will reassign them." Is the Minister going to implement this policy or not?

**Hon. Mr. Porter:** If there is a specific trapper or trappers whom the Member would like us to investigate, then he should bring that information to us. What has been done in the past, as I am informed, is that where traplines are not being trapped, other than for personal reasons, they are investigated. If there is a habitual problem for not trapping their lines, then a decision is made to reassign those traplines.

My responsibility, given the Member's representations, is to go back to the department and ask for detail on each of the 85 traplines to see if, in those cases, the 85 traplines that were not being utilized in 1984-85 were because of reasons other than legitimate ones. We will bring the information when we can get it.

**Mr. Brewster:** The Minister complains that he does not have the necessary manpower or he is apparently not going to investigate this or implement his policy, but the 25 percent of the traplines not being used is a large number. Can he give me an estimate of how much revenue is being lost to the Yukon by these traplines not being used?

**Hon. Mr. Porter:** It's 24 percent. We can ask the administration to do some long term analyses. We will go back over the years, do the analyses as to what was taken, make an average over the last 10 years — if that is what the Member wants — and we will come up with a guesstimate of what the current value is. You have to take

into consideration though that there has been a distinct depletion of lynx numbers so this year's value may not be as great as the member would expect.

If he wants all the information, maybe he should write me a question detailing exactly what it is he wants for these traplines. We will not take up the time in the House in Question Period. We will turn it over to the department, ask them to put their resources to work and bring the information back to the Member.

**Question re: Prospectors Assistance Program**

**Mr. Nordling:** Can the Minister of Economic Development tell me what the status of the Prospectors Assistance Program is?

**Hon. Mr. Penikett:** The program has been approved by the Cabinet. Commencing in this fiscal year, right now. It was developed in close consultation with the Yukon Chamber of Mines and the Prospectors Association, as well as the DIAND officials during the development of the details of the program.

Certain modifications have been made to the program as compared with the way it was run by the federal government, especially in relation to establishing minimal qualifications for prospectors receiving contributions, in order to prevent abuses of the program of the kinds that have taken place in the past. The maximum level of assistance will be raised from \$3,500 to \$5,500 in order to account for the rise in the cost of living. If literature is not now available from the department for this season, it will be shortly.

**Mr. Nordling:** Does the Minister have any idea or estimate of what the program will cost this year?

**Hon. Mr. Penikett:** I do not have an accurate estimate. I do know that, as I told the Member the other day, the money that had been in the federal budget for this program has been cut. I am asking for the federal government to transfer to us, since this in some ways can be argued as a program transfer, the approximately \$75,000 that they had previously identified for this purpose.

**Mr. Nordling:** Can the Minister tell us when he will know from the federal government whether that money is available?

**Hon. Mr. Penikett:** The Member may not know, but there are meetings from time to time with officials of this government and the federal government to negotiate those matters — officials of the Department of Finance here and department officials in Ottawa. I do not think I will be able to liberate senior officials from this government to travel to Ottawa for those and other negotiations until such time as this session ends.

**Question re: Medical inquiries**

**Mr. McLachlan:** Could the Minister of Justice advise who pays the expenses of the Alberta doctors who come to the territory to conduct a medical inquiry, both on their time while they are here and their travel between Edmonton and Whitehorse?

**Hon. Mr. Kimmerly:** The Medical Council, who ultimately bill the territorial government.

**Mr. McLachlan:** Can the Minister advise when the Government of the Yukon Territory first retained a lawyer to work on behalf of the Medical Council with regard to the medical inquiry currently underway?

**Hon. Mr. Kimmerly:** I believe I am correct in saying that the Yukon government has never retained a lawyer to work on behalf of the Medical Council. The government was involved in a court application, but that involvement was around the constitutionality of the territorial legislation. That was a challenge by Dr. Branigan, and the government was party to that action only insofar as it related to the legality or the constitutionality of the existing legislation.

**Mr. McLachlan:** Can the Minister advise if the costs to the government to conduct that inquiry will be a public document, and will be tabled in this House if so requested?

**Hon. Mr. Kimmerly:** I am not contemplating tabling a particular document, but it will be available in the Estimates debate, and it appears in the Department of Justice as a supplementary. We will get to that probably next week, and I will have the relevant information in the Committee of the Whole here when I am asked, and I am sure I will be.

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**Question re: Women's Directorate**

**Mrs. Firth:** I have a question for the Minister responsible for the Women's Directorate. In the Minister's Throne Speech response, she announced a plan to create a talent bank of Yukon women in the directorate. Could the Minister explain what the process is going to be once the personal information sheets are filled out, and what the eligibility criteria to participate will be?

**Hon. Mrs. Joe:** I think one of the eligibility requirements is that you be a woman. That is number one. The Women's Directorate will be advertising in the paper very shortly for women to put their names forward if they are interested in sitting on any boards or committees. They will be returned to the directorate and a process they will have to go through will take place after that. I am not sure whether or not we have a specific plan in place right now. We are just asking for the names of those who are interested.

**Mrs. Firth:** I would like to know how the women will be chosen from the talent bank, by which process, and how, other than being on boards or advisory committees, will women from the talent bank play a role in Yukon affairs?

**Hon. Mrs. Joe:** We would have to assess each individual's talents and find out whether or not that person would be interested in sitting on, for instance, the economic development committee or whether they would like to sit on the social assistance appeal committee or whatever. We would have to tie those interests in with the committee or board that they would be on.

**Mrs. Firth:** I would like to know who will be making those final assessments? Is the cabinet sub-committee going to have something to do? What is that committee's mandate?

**Hon. Mrs. Joe:** The committee that has already been established has not yet had its first meeting. They will have the mandate of putting together a Yukon plan of action for women and as such will be able to come up with a plan on what the Directorate would do.

**Speaker:** Time for Question Period has now elapsed.

**Speaker's Ruling:**

Before proceeding with Orders of the Day I would like to bring to the Attention of the House that as it has now dealt with, and made a decision on, Motion No. 9 regarding an application for funding by the Yukon Indian Development Corporation and as Motion No. 2, which is still on the Order Paper, deals with basically the same subject matter, I must order the Clerk at this time to drop Motion No. 2 from the Order paper.

Government Bills.

**ORDERS OF THE DAY**

**GOVERNMENT BILLS**

**Bill No. 10: Third Reading**

**Hon. Mr. Penikett:** I move that Bill No. 10, *An Act to Amend the Liquor Tax and Tobacco Tax Act*, be now read a third time and do pass.

**Speaker:** It has been moved by the hon. Government Leader that Bill No. 10, entitled *An Act to Amend the Liquor Tax and Tobacco Tax Act*, be now read a third time and do pass.

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**Mr. Phelps:** The Members opposite seem to be in an awful hurry. I am rising to speak against the motion, speak against Bill No. 10, at third reading. What we have, basically, is a huge increase in Yukon government spending, and a huge increase for the past fiscal year and the fiscal year that we are embarking on right now, a huge increase in grants from Ottawa. Those grants from Ottawa to this government, which totalled \$107 million in 1984-85, totalled more than \$153 million in 1985-86, and are going to total \$158 million-plus in 1986-87.

We have here a government that has been struggling to spend it as quickly as they can. As we all know, a government first gets into power, it takes them a while to get their names embossed on the cheque-writing instruments, and figure out who is supposed to spend what, and actually get a process underway in how to spend.

This government has managed to get on track in marvellously short order, and spent and spent and spent and spent.

It is interesting that, in the last fiscal year of a Conservative government, which ended in March 31, 1985, the total spending, O&M and Capital, that year was \$190,220,000. That year there was a surplus of \$9,366,000. It has increased now to the proposals this year from \$190 million, the spending is going to be \$252 million. We face a deficit combined of some \$781,000, as forecast by this new government.

The government is on a spending spree. They were left with a huge surplus by the previous administration. We understand that that huge surplus is still in the bank and in the form of assets and land. Yet, this government is so intent on spending, spending, spending, without having put much in the way of new policy in place, even, that they are going to the people of the Yukon and saying, "We are going to increase your taxes as well. We are going to increase your taxes." They are increasing those taxes on consumer goods, albeit alcohol and tobacco.

This, in a situation where consumers residing in the Yukon face the highest cost of living, a much higher cost of living than most residents in almost all other parts of Canada, generally and across the board.

<sup>14</sup> We are voting against this proposal on third reading, because we are against raising taxes when the side opposite inherited such a large surplus, inherited, under formula financing, signed by the previous administration a huge increase in the money flowing to it from Ottawa. We see no excuse for the government to go out on this willy-nilly spending spree and at the same time be forecasting a deficit. They are imposing, at the same time, regressive taxation measures, taxes which severely affect those in lower income, as a percentage of their income, more so than those in a higher income bracket — by definition, regressive. It is amusing almost that the socialistic government would be going so adamantly, almost perversely, against the doctrines that they espoused so readily at election time. They went door-to-door saying, "We are socialists; we care about the poor people, you know."

It is of grave concern to us that the spending seems out of control, that the consumer in the Yukon is made to pay more. What are the alternatives? The alternatives lie in cutting back a bit on the expenditure side. We already talked about this \$900,000 liquor warehouse that is not needed for two or three or four or five years. "We will spend the money anyway, because we have it," seems to be the rationale of this government in their Capital Budget debate last fall.

As we go through the O&M Budget over the course of the next weeks, — months — we will be showing, suggesting amendments to that budget that would be cost-effective and reduce the spending habits of this carefree, spendthrift government. It is our position that it is not necessary to increase the role of government in society in order to effect stimulation of the economy, at least not to do it entirely by that means.

It is our position that consumer dollars left in the hands of consumers would be spent on consumer products, and the impact of that spending on private enterprise would help to stimulate the real and true engine of the economy, the private sector. It is our philosophy that we would rely far more heavily on the ingenuity of entrepreneurs and on the private sector than this government cares to do, despite the lip service they pay.

<sup>15</sup> When one increases the total spending by 32 percent, when we have a government intent upon intervention into the private lives and the private sector, a government that would come forward with the infamous *Human Rights Act*, a government that is so eager to impose the concept of equal pay for work of equal value on the private sector, on the small businesses, on the real life-blood of not only the engine of the economy, not only the real creators of wealth in a free society, but on those small businesses that portray and make up and live the real values of Yukoners, with a lifestyle that we believe in that has been believed in by so many Yukoners for so many generations, that makes this place a bastion of individualists and people who abhor state intervention, the goody-goody philosophy, "We know what is better for you better than you do".

Our submission is that this proposed tax increase, coupled with

the willy-nilly spending habits of the government, is simply an extension of their belief of the intervention of the state in the private lives of Yukoners, a Human Rights Commission, officers to be hired here and there to track and watch the everyday activities of Yukoners, the philosophy that Yukoners do not know what is good for them, that you cannot trust the basic elements of goodness of ethical values of everyday Yukoners. Father knows best. No, the NDP knows best.

It is this kind of intervention that Yukoners, particularly those in the rural communities, find so abhorrent. That is something that the government has found out, when it went on the road. I believe it was called the travelling road show by one MLA in Carmacks. It went on the road with the proposals for the human rights bill. The people in those small communities have very strong values, and most of them are strong individuals. Most of them want less government, not more government. Most of them think they can spend their money, possibly, as wisely and as well on behalf of themselves, their families, as the wise men across the way would do for them.

I think that I speak not only for all Members on this side, but probably for the vast majority of Yukoners when I make that statement. Most of us feel that we do not need to be guided by the Minister of Justice and his cohorts in terms of how we spend our money, or how we lead our lives.

<sup>16</sup> But the intervention is persistent. It is embodied in the huge increase in spending. It is embodied in a philosophy that would rather than tighten the belts a little bit and let the private sector and the consumer spend their money, would grab it, carry it away out of the hands of the consumers, as I said before, in a regressive taxation manner, so that those hit hardest are the consumer at the lower end of the income scale.

The Government Leader tells us, and has said several times before, that they are not aggressive in everything they do. They are proposing in the future to abolish medicare premiums.

We received an interesting letter not long ago from the Yukon Medical Association which is against that kind of tinkering with the present system. That system also is one that does not demand medicare premiums from people on welfare or people who are senior citizens — the elders of Yukon — so that kind of protection, which is built into the present medicare system, is at all built into the tax increases that are contemplated by Bill No. 10.

We have a bureaucracy that is expanding and a government that is intervening, and we say that, in the face of the alternatives, in the face of all the new money that we negotiated for them from Ottawa, this tax increase is unnecessary and that the alternatives are to cut back on spending and reduce taxes more. For those reasons are we going to support Bill No. 10? No bloody way.

**Mr. Phillips:** I rise today to raise what I think are some various legitimate concerns over this bill. First of all, I will make it clear that I will be opposing any tax increase at this time simply because it is poor money management on behalf of the government. What I would express, and very seriously, is the apparent attitude of this so-called vice dean of the House, a man who believes, or says he believes, strongly in democracy. This is the first time that I, and several other Members of this House, have had an opportunity to look at a tax bill. It is pretty important. In fact, everything we do in this House is important. But it is even more important when we are raising taxes.

I would have thought that it is incumbent upon every Member of the House in tax issues, and especially the government in power putting forward the tax, to have done all their homework. It has been a bit of a circus here the last few days. I always thought it was the right of every Member in the House to question how the tax increase came about, how it will effect Yukoners and to know clearly how and why the government arrived at the figures they have.

<sup>17</sup> I think that is only fair to ask questions that are as important as this.

I was surprised when the Government Leader told us that we were filibustering his bill. With all respect, this government, with the admission of the Government Leader, would have levied a very

unfair tax on the consumer. That is a reality. He was prepared to pass the tax that evening and when we raised the issue he accused us of filibustering. That is not very democratic, when he admitted himself that he made a mistake.

We watched a new, inexperienced government scramble in this House, huddled in a corner, saying: "what do we do now." It is pretty amateur on a bill as important as this. We seem to have here a ship without a captain. The Minister of Government, I suppose, will again tell me that I am inexperienced, I am new, and that I am off the track. I would like to remind that Minister, whether he likes it or not, that he, the Minister of Finance, the Member for Whitehorse West, is the only one who can accept the responsibility of this mess.

I would hope that in the future we can expect a much better example of responsible government. Yukoners are finding out quickly that we cannot afford this type of mismanagement. I will be voting against this poorly presented, poorly planned and unnecessary tax.

**Mr. Brewster:** I, as a businessman for many many years, will be voting against this ridiculous motion that we have here. I have become very concerned with the debate that has been raised in the House in the last few days. My business instinct tells me very strongly that there is something that stinks in this whole budget process. I am now beginning to believe the story I have been hearing around Haines Junction lately that this government has cut cigarettes, cut booze, cut sex, and now it is cutting paper dolls. I guess we are now at the end of the line.

The Government Leader keeps referring to the federal government in saying that they increase taxes so why should we not. The federal government had the decency to make it clear that they were putting the tax on to help cut the large budget deficit left by the Liberals. This government tries to hide this increase in taxes under a health program.

This government raised taxes and still came out with a deficit. There is no problem, they say, we have a huge surplus. I do not need a computer to figure out that the surplus will soon be gone. They have refused to tell us under which program they will use our tax to cover medicare, which they say they will implement. They cannot even account for the taxes they have now raised. This government has not done its homework. They brought two amendments forward, then threw out one with no debate.

The government side of the House was in complete disarray. They could not even get a motion to sit longer through the House because they were so mixed up that they could not remember the House rules.

I think it is very arrogant of this government to put a news release out on April 1 notifying retailers that the tax will start on April 1, yet they did not have the decency to bring the bill into this House until April 1.

They whined last session because we did not do, as they said, a thorough investigation of the budget which we initially prepared ourselves. Now they are crying because we are asking and demanding answers as to where this government is taking us.

It is our duty, not our fault, that we are a better opposition than they were. Let us look at this bill. If it is successful in stopping smoking and drinking, and they lost their revenue, then look at the deficit we would be in.

<sup>18</sup> You cannot have it both ways.

With regard to the suggestion by the Government Leader that we change it in regulations, let me just say that I sat for three years with the present Minister of Justice on the Statutory Instruments Committee, and we both agreed and argued that regulations cannot interfere with legislation. I do not see the Minister of Justice getting into this debate. Perhaps he is doing another one of his switches. Rest assured, he will get into the debate now.

We went through the Curragh report last fall, we rushed through the Interim Supply Bill to cooperate, yet on all occasions this government has not done its homework. The Government Leader whines and cries that we will not cooperate, that we obstruct. Had this government given us great answers and done their homework, we might not have had to watch so closely. They keep whining:

trust us. We tried that, but it failed.

This government is completely incompetent and it is losing the support of the Yukon people, even though they have flooded the Yukon in a ridiculous and irresponsible fashion with money.

In closing, I would like to remind the government that they have been in office for 10 months, so let us stop blaming the former government. You are big boys now. Stand on your own feet.

*Applause*

**Mr. Nordling:** As a new Member of the House, I am anxious to report back to my constituents what I have been doing in the House. This is my first involvement with a tax bill, and I want to get it right. Therefore, I will just briefly go through what I believe has happened with this bill to date, and I know the Members opposite may want to respond and correct me.

Bill No. 10 is entitled *An Act to Amend the Liquor Tax Act and the Tobacco Tax Act*. The *Liquor Tax Act* and the *Tobacco Tax Act* are separate acts. We are raising taxes by amending both those acts. The government has chosen to amend both of these acts under one bill. To me, it would have been more sensible to make two separate acts to amend them. It is not a housekeeping matter. It is a serious matter of collecting money from the people of the Yukon.

The government then began collecting the tax before this *Act to Amend the Liquor Tax Act and the Tobacco Tax Act* was passed in this House. During debate, when inequities became apparent, the Government Leader offered to set the tax structure for the Yukon through regulations. When it was found that that was not possible to do, the government proposed to amend their amendment. This proposed amendment would have changed the structure of the way taxes were going to be collected after they had already been collected.

The government subsequently did not like its proposed amendment and introduced another amendment. After the second amendment, which is the final amendment and is part of the bill we are dealing with at the moment, was settled on, the Government Leader, the Minister of Finance, could not explain how the estimate for tax revenue was calculated.

<sup>19</sup> He could only say, and he said many times, that despite all these proposed changes and revisions, that the tax revenue would remain virtually the same.

My understanding was that the original bill would raise the price of a carton of Colts from \$13 to \$28 and now the final revision, the final amendment, reduces this mark-up considerably. The Minister of Finance then explained that this would be made up for because there was a larger increase on cigars costing more than 50 cents as a result of the final amendment. The Minister of Finance could not then explain how this set-off was calculated, although for him to state that the revenues would be the same, the Department of Finance must have done some simple calculations to come up with that estimate.

In a document that was filed during debate yesterday on this bill by the Member for Porter Creek East, entitled "Government of Yukon Tobacco Inventory Report, at the Commencement of Business April 1st, 1986", the government has, in great detail, broken down exactly where the tax would be coming from. There is a description of tax on individual cigarettes, packages of 20, 25 and 30, cartons of cigarettes, cases of cigarettes, tobacco from one ounce to two pounds, cigars costing five cents or less, five to ten, ten to fifteen, fifteen to twenty, twenty to thirty, over thirty to forty cents and over forty cents. There was great detail and I cannot understand why the Minister of Finance could not provide us with details on how the revenue was arrived at after the final amendment was made.

Now without further ado, I must vote for or against this bill. I worry when I am asked to pass a tax bill that will cost the taxpayers of the Yukon hundreds of thousands or even millions of dollars after it has come into effect and without the government knowing exactly what it is doing or the effect of the bill.

Two amendments later, the government still does not seem to know where their figures are coming from. After all that, I am still not convinced that the tax increase is even necessary in the first place, especially when two of the reasons given by the government

for the increase are to lower the cost of health care and to bring the Yukon more in line with prices in British Columbia. I see no evidence that this particular increase on liquor and on tobacco will lower health costs, nor am I convinced that we, in the Yukon, should necessarily pay the same for a package of cigarettes or a case of beer as someone living in British Columbia, where I am sure the cost of living is less than it is in the Yukon.

<sup>20</sup> I am certainly confused. I am worried about what is happening with this bill, and I certainly cannot support it.

*Applause*

**Mrs. Firth:** I guess the best way to sum this up is just to say that I think we all, as legislators, really know what it feels like to be taken advantage of. I think we are probably more offended by that, as a Conservative Caucus, as opposed to the Liberals, because it is really a two-way street with the two Liberal Members as to who is taking advantage of who.

I really must say that I have been somewhat disappointed in the Government Leader. I have always been an admirer of his abilities to be calm and rational, and to present his case in this Legislature in a reasonable manner, and in a fair manner. I have heard nothing, in the last two weeks or so, but accusations and challenges; accusations about obstructionism, inferences that the Chair may not have ruled correctly because the motion was not allowed to be debated any more, inconsistencies on behalf of the Government Leader. I am quite surprised by that, because I have never really made those observations about him before.

We are trying to make one point here, as a Member of this Legislature, and particularly as a Member of the opposition. We all represent certain numbers of people within the Yukon Territory, and we all have a responsibility to those people. Probably our biggest responsibility to them is to see that we represent them as best we can, and as honestly as we can, and that we question on their behalf when they cannot, and that we get back to them the information we find out.

Five months ago, when we were in this Legislature, we were asked to support, with the government, an agreement to open the Skagway Road, an agreement between the Government of Alaska and the Government of the Yukon. We were also asked to support a loan guarantee for a certain amount of real estate purchases within the Town of Faro.

We asked questions as legislators. We were given answers, although sometimes in a rather hasty and in a rather rushed manner. It was because of the urgency of the matter of the day. We left on the record a list of our concerns, because we felt we were rushed and we were not given enough time to adequately present our case and get questions as to what the government was going to be doing. We left behind 10 concerns in this Legislature. Five months later, we came back and we had to raise all those 10 concerns over again, because the government still did not have any answers to them. We came back and we found that the Skagway Road agreement had been changed. We found it was costing more money, and we got into a great debate about whether the principles had changed or not. <sup>21</sup> When it came down to the last debate the consensus was that there had been changes in the principle. Now we are in the House five months later, the government is starting new and fresh with their new agenda, their big opportunity to present their first O&M budget and to give the Yukon some idea of what kind of government they are going to be. The first thing they bring forward is a bill to increase taxes on alcohol and tobacco.

We start asking some questions and they were constructive questions. We did not begin in a confrontative or an opposing manner. We asked constructive questions. We got all kinds of inconsistencies. I will list a few of them. We started out with the tax increases being imposed for health reasons. A few days later it was changed to revenue reasons. We were told we had a deficit, then we were told we did not have a deficit. We were told the revenues from the taxes were based on tax only. Then a few days later we were told that the revenues were based on increases in volume as well as tax increases.

Two amendments came forward, granted one was not presented or officially read into the record, but the Government Leader was

very clear when he stood up and presented the amendment and said that it was for us to read and to have some advance notice of it so that we could properly debate it. Then another amendment was brought in, and we had to proceed with the second one.

We asked the Minister a few questions and he could not answer them even to the point where he did not know how many dollars Yukoners spent in a year on tobacco products yet he was prepared to tax the people.

I find it quite inconsistent that the Government Leader is so prepared to get up so eagerly and criticize us for asking questions. The last time this House sat five months ago, he criticized us because we did not ask questions. He cannot have it both ways. He yells at us that we are filibustering and he utters great protests about what we are doing.

When it comes to being a Member of this Legislature, asking questions on behalf of our constituents and not being able to get any answers, I would like the Government Leader to recommend what he thinks we should do. I know that he feels, deep down, that he would expect us to do no less as legislators. He would expect us to do no less other than cross-examine the government to see that we were satisfied with the kind of job they are doing. Yet the Government Leader is making signs about filibustering.

We have a responsibility to our constituents to present our position and present their position to the government. We were criticized for being obstructionists. Now I really think that is somewhat unfair on behalf of the Government Leader; however, he will have some reason that he feels it is very logical that we are obstructionists. We were cooperative with the interim supply bill. We could have started our questioning then to find out that the government had not done their homework and did not know what they were talking about, but we did not. We recognized the immediacy of it, and we recognized the position the government would be in and the impact that it would have on the government employees.

We were cooperative with the government as we were cooperative five months ago with the Skagway Road and the loan guarantee.

I guess it is a way of putting the government on notice that if they cannot handle the questions and have not done their homework well enough on this tax bill they had better get their noses to the grindstone and start burning the midnight oil and be in here so that they can learn their departments and have the answers to the questions we are going to ask when it comes to supplementary estimates and the O&M Budget.

<sup>22</sup> We intend to ask questions and we intend to ask as many as we have to on behalf of our constituents so that we can feel reasonably confident, when we go back and tell them what kind of a job the government is doing, that we are giving them an adequate, accurate answer, and a fair answer.

We are going to ask the Government Leader how he is spending the taxpayers' money. We are going to ask him lots of questions when he considers taxing people, particularly when the appearance is there that he does not have all his facts and figures correct. We have the right to do that and we do it on your behalf also. You are unable to get up and ask these questions, and we do it on behalf of all Yukoners.

I will not be supporting this tax increase. I do not feel as a Member of this Legislature that the government has given us adequate answers, that the Government Leader has had himself sufficiently prepared to respond to the questions that we have raised as legislators, and that the public have raised by phoning us during the evenings at our homes. Believe me, I have had a lot of phone calls, in case the Government Leader is saying that I had one or two people call, which occasionally he is apt to do.

I will not be supporting this tax increase, as none of the Members on this side will be. The Government Leader can consider himself put on notice to answer questions about his O&M Budget, policy questions, direction questions as to where he is taking the Yukon Territory and he had better get his homework done a lot better than he has done it for this tax debate.

**Mr. Lang:** It seems to be a one-sided debate to some degree. I can understand, in view of the circumstances, the direction of the

debate since we came into this house as of March the 18th. I can understand why the Members opposite are duly embarrassed and would just as soon this particular measure passed very quickly.

I would say the handling of this bill rivals the competent handling of the *Human Rights Act*. Let us say it is on the same plane and has demonstrated to me — much to my surprise, actually — how incompetent the front bench on the other side is. I do not say this from a disparaging point of view, I say it from the point of view of not having done the homework that is required to sit in that front bench. It is not only a privilege to be a Minister of the Crown, but it is also a lot of hard work, and I can vouch for that because I did have the privilege of sitting on that side of the House. I do not recall, during my tenure in government, with my colleagues, when I saw a tax measure so poorly handled, so badly mishandled, as far as the process is handled, in this House, and also inadequately explaining the implications of that tax measure not to just us as legislators, but to the public we serve, the public whom that side and the Liberals want to tax.

<sup>23</sup> I want to go a little further examining the record, because I think it is important that over the course of the debate on this measure, we were given different answers to the same questions on different days. When the budget was presented and the tax measure was presented, the overwhelming theme of the government was that they were doing it for the good of the people, for health reasons. This tax increase would deter alcoholism and the various sicknesses associated with tobacco, or caused by tobacco. That was the overall theme of the government in the initial presentation of the measure.

Yesterday, we effectively had the Government Leader tell us that there was a tax grab, that he needed the revenue. On the same theme that was presented to us, as legislators, and to the public that this was a health measure, not a tax measure. The Government Leader said that with this increase there would be a deterrent for people to utilize tobacco and alcohol, and that with existing consumption we would just get \$254,000 in taxes on the liquor side of the tax. Lo and behold, the lights went on. The O&M Main Budget, presented at the same time, shows an increase of \$600,000, not \$254,000, not the principle that it was strictly going to be the same consumption patterns that we had in the past, because it would act as a deterrent. The government had gone ahead and predicted a 10 percent increase in consumption, using the same numbers and the same people.

The Government Leader would probably say to us, that is not inconsistent. It was just another day. That concerns me, because the Minister of Finance has a responsibility to present the facts to this House, not to make up stories one day and revise them the next day.

Last night a number of questions were posed to the Minister. He brought forward this amendment. He brought forward an amendment which he said was going to rectify the inequities spelled out by the Member for Porter Creek West. We asked a very legitimate question. The two new principles, the two new categories that you are presenting, what financial implications were they going to have? He could not tell us. The Minister of Finance sat in this House and he blustered, he shouted platitudes, he shouted insults at me for asking the question.

<sup>24</sup> I thought it was unfair. I thought it was a legitimate question, asking the Minister of Finance — who I hope has his squawk box on — how he derived the figures to say to this House that you essentially get the same amount of revenue. He could not tell us. He could not tell this House because he had not asked his officials. That is why he blustered.

The Minister of Finance stood up and presented a measure to us. The opposition, in its role as legislators, asked questions about the act that, incidentally, the Members opposite should have asked when they acted as a Cabinet and a Management Board so that they would not have put themselves in a position of being publicly embarrassed in the House. Maybe no one was smart enough to ask the questions.

Then he said that he had an amendment, a midnight amendment. He goes out and there is a huddle, one of the few times that I have seen a football huddle in the Yukon. Everyone got together, looked and said that this is the one. He presented it to this House as

information for further debate during the course of the day. As it was, we never got to the point to debate it. He stood up at the end of that day and berated this side of the House for being irresponsible, for not permitting him to bring forward his well thought out amendment that was going to correct the situation that we had outlined.

He went to quite a length, to the point where he referred to me — to me — as uncharitable because I did not stand up and say yea, I am going to vote for a tax measure. That is what he said to me, that I was being uncooperative because I did not believe that the Government Leader should be bringing this tax measure forward. We saw the consequences of that amendment. They had 24 hours of reflection and the government realized that it was not going to do what they thought it was going to do.

They exposed publicly that they had not done their homework and that they had not taken the care and attention that is required to review legislation to ensure that it is going to do what you want and that it is proper. So what did we have the next day? We had another amendment. I noticed that the Government Leader was not standing up berating this side for not passing the measure the night before, did he? He did not want to discuss it.

Hark! Hark! What does the Minister of Finance do? He berates this side of the House for asking about the financial ramifications are of that amendment. He says that it is our fault - our fault. <sup>25</sup> It is his measure, his tax measure, it is his government. But he says it is the Conservative's fault. One thing about it is that he would never blame the Liberals. I should point out, while I am on that topic, that in the spirit of good government, if it was up to the Liberals, we would have been prorogued by now. That is how seriously they take their job. That is where they could save \$60,000 of that hike.

I heard a word from the MLA for Faro, maybe he is going to speak on this tax bill. I am looking forward to him standing up in this House and telling the people of Faro why they need this tax hike.

We had the Government Leader standing up and referring to the Conservatives and the tobacco tax in 1981. Yes, the Conservative government brought a tax measure forward, openly, to the House and said we need the money. It was clear and unequivocal, not under some smoke and mirror mirage that it was going to solve a health problem. The fact was that that bill was written properly because it said it was deemed to come into force on April the 1st. This bill was not even drafted properly. It was not drafted so democracy, which is sometimes expensive and lengthy, could take its course, and still be in effect. All they had to do was pull out the amendments that had been done five or six years ago. But they did not do that.

Then we had a tax measure on tobacco combined with that on liquor tax, which are two separate acts, because it is easy, we will just push it through. With our sidekicks, it should be a piece of cake. That is not the case. The Member for Riverdale South has said to the government that they are on notice.

I want to speak on the fact of whether or not we need the tax. Contrary to what the Government Leader has said it is related to the 1986-87 O&M Main Budget. We have, effectively, a government that has brought forward a budget with a \$700,000 deficit, in round numbers. We have a government that was effectively given an extra \$50 million transferred from the Government of Canada and we are being told in this House that we need a tax hike. We are told they cannot manage within the monies that they have. That is quite a statement to make. I say to the side opposite: is that the way you manage your own bank account? Are you all in trouble personally, as well as as a government? We have already identified in the O&M Mains of this budget — and we have not gotten to the main budget yet — a number of programs that have not had resources allocated to them.

One is the Prospectors' Assistance Program, which is \$75,000 and will probably be \$100,000. Let us round it off to \$100,000. We have the Carcross-Skagway Road and the increased costs for the winter. That is not included, so we are talking about: \$700,000 for winter maintenance? \$500,000? Let us say \$700,000, plus the capital expenditure on the American side, which is \$500,000. So,

we are up to \$1.2 million plus \$100,000, we are up to \$1.3 million. We also have the requirement for government space. You are asking us to approve 40 new positions, which will mean new government space. That is not included in the budget. How much that is I do not know, but let us round that off to \$150,000. We are up to \$1.5 million, and we have not examined the main budget yet. That is not in the Mains, yet we have already identified a \$600,000 deficit.

At the same time, there is a major tax increase. I say to the side opposite, why not slow down? Instead of asking for 40 new people, why do we not go with 20? Let us round that off and say \$50,000 per person, by the time you figure out vehicle, office, desks. That would save you \$1 million. Then we do not need the liquor tax, right?

Maybe that had not crossed the Member's mind on the other side. Along with that, maybe what could be done is defer the liquor warehouse. That is \$900,000 in the Capital Mains, so now we are up to \$2.1 million. Now you do not have to tax, yet you still have roughly \$200,000 or \$300,000 to allocate elsewhere in the budget. I have solved your problem.

The point I am making is that it is not required, with some management and some good judgement, to tax the people of the territory. We do not need a tax grab at this time.

I am not just concerned about this year. I am concerned about where this government is leading us financially three years down the road. There have been a number of questions asked in this House, and we have not had an answer. We have had platitudes, we have had blustering, we have had incomplete answers, to the point where we were referred to the Committee of the Whole for those questions, because it is a waste of Question Period time. We are talking about some major allocations that we are looking ahead at; \$3 million for medicare, an escalator cost of \$1 million to \$1.5 million that has to be paid for, increased government expenses that are not included in this budget, \$3 million.

We are looking and planning ahead. What are we looking at? I think that the government is going to put any successive government in a position where taxation may be the only option, unless major cuts are made within the civil service, because of the lack of management, the incompetence of the present government. That would be a tragedy. There is no reason for it. I can disagree, ideologically, with those across this floor. I can disagree with the program, and I can disagree with the policies. There was always, when the Members opposite were in opposition, a common understanding that there should be good financial management. We do not have it. We have a government that has bought a home with a pool to house juvenile delinquents. We have a government that has gone ahead with the liquor warehouse extension that is really questionable whether or not it is necessary. We have raised it publicly a number of times and we are prepared to support the government in not proceeding with it. We are dealing with a government that has gone against the private sector, that has gone and cut the private janitorial services. All these are added costs to the government, to the taxpayers of the territory whether we like it or not.

Those are the realities that we are dealing with. What do we have? We have a government that is making decision either collectively or in isolation but we have a government that is stumbling from one item to another, making major financial obligations on behalf of the people of the territory. At the same time, they want this side of the House to approve a tax measure which, in effect, approves their actions for financial mismanagement.

The Members opposite refer to the federal Conservatives who raised the taxes on liquor and cigarettes. I do not argue that. They did. I did not vote for it. I questioned it to some degree. The major message from that budget was clear. They had a major deficit where 40 percent or 50 percent of our taxes were going to pay interest on that outstanding deficit.

We go to the Kopper King to have a few beers with the boys and \$.02 or \$.03 is fine. I could understand that. Now we have a government that is coming in with a tax measure for the boys at the Kopper King that says we need to tax you for your health purposes

and for the deficit in our budget.

It is tough for you guys to realize this but the guy in the Kopper King is a little confused. He has Erik telling them there is a deficit that has to be paid. He has Tony telling them that he is going to create a deficit come Hell or high water. It is up to the guy in the Kopper King to pay for it.

That is confusing for the guy downtown too, the guy down at Watson Lake in the Watson Lake Hotel. He is wondering who is telling him the truth. Why is it necessary for them to once again hit me with a tax increase? I would say that it is a very legitimate question. Why? Why? Why? We have the case of the Minister of Finance telling us, because of his lengthy knowledge of economics, that we need a tax increase.

I do not believe it to be necessary. Now the Government Leader is going to stand up and say it is the Member for Porter Creek East's fault. He is filibustering. He does not know what he is talking about. I think he almost used unparliamentary language the other night. I cannot believe it. He will say it is this side's fault. At the same time he has stood up in this House and acknowledged that the transfer of dollars from the Government of Canada have been more than adequate, that it was a very good agreement for Yukon in respect to the financial transfers that we would expect from the senior level of government.

The Minister of Finance will stand up and he will blame the health problems for the reasons of bringing this in. I am doing it for you and your health, is what he will say. If asked a specific question on how it will effect the individual, he will say: why are you asking such a detailed question, it is your fault for asking it, why did you ask it when I do not have an answer. It would not be called incompetence, it would not be called in fact he does not have an answer, it is my fault for asking the question, because I am taking up the time of the House. I recall the Government Leader chastising this side of the House for expeditiously going through the budget last fall. Now he is standing up and belabouring the fact every day: we are not past the first principle of the supplementaries.

The excuse the Government Leader has been utilizing to blame the other government — I am first to admit that you are perfect, I hate to say it because it is a humbling experience for me to say this publicly — but those days are gone. Almost a year has passed for the life of this government and we have had this government standing up on a continuous basis blaming the other guy instead of standing up and answering the question one way or the other.

Today the Minister of Health and Human Resources, when I asked about the Group Home with the swimming pool, accused me of not wanting to let the kids have fun. They probably have a VCR there with the movie Splash, paid for by the taxpayer and, of course, we should not question that expense because it is taking up time in the House. It is not in the public interest. So says the Government Leader.

I am here to tell the Government Leader, and I hope he listens — this is not from speech number one, nor from speech number two, it is from speech number three, it is my birthday today — he has a responsibility as the Government Leader to stand up and to answer questions and answer them properly and give us the information, the information we deem to be in the public interest. I, as a Member of this House, and I can speak for this side of the House — I could not speak for that side of the House — it is called a free vote, on instructions from the Government Leader.

It is time that the side opposite stood up and told the public what their agenda is, not just for this year, but for two or three years down the road, what they see for the financial management of this government, instead of trying to make announcements and not standing up and giving us the facts of how it is going to be implemented and how it is going to effect me. It is time this government stood up instead of trying to blame the Alaskans, this side of the House or somebody else for the fact of their incompetence.

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**Mr. McLachlan:** I want to thank the Members on this side of the House for this convenient opportunity to speak this afternoon, now that the blather is out of the way. The national awards for Canada were on radio and television last night, but I will try to

carry on a repeat encore.

The Leader of the Official Opposition's direction of attack is becoming very predictable. He leans over. The Member for Porter Creek East winds up the key on the big doll we buy from Jim's Toy and Gift Shop, lets it go and up pops the Leader of the Official Opposition, out comes the speech on money, money, money. How we had all the money in the bank, and all the government can do is spend, spend, spend. I think we should put it on video and entitle it "Willard's Whiny Ways" and send it down the street to the local drinking establishment for comic relief.

Tell the guy on unemployment insurance how much money the Conservatives had in the bank and what a fine job they were doing on money management. Tell the guy who could not pay his rent how well they were doing. They certainly drew a lot of benefit to the territory with all that interest they gathered by putting it in the bank.

I can remember when the Member for Porter Creek East used to come to my riding in 1982 when the mine went down. When he was questioned, he would say, "We are working on it, Jim. We are working on it. We have got a lot of money in the bank. We should have an answer soon." One winter went by and the next summer came. He showed up in April, 1983, riding on the coattails of a federal Cabinet Minister who came in with a \$20,000,000 plan, shaking hands all around, laying out the big speech, "We are doing a great job down there. You guys are back to work. We really contributed a lot of money on this, just like I said we would do, Jim. We are doing a fine job for you."

When was the final solution that the government had in the bag? Again, "We are working on it, Jim. We have a lot of money in the bank. We should have it along here soon." I have never seen a more perfect case for the expression, "While Nero fiddled, Rome burned", because that was the Conservative Party in office last time from 1982 to 1985, a wine and grape show, lots of partying. Where was Faro? Still struggling, still hoping, and the Minister from Porter Creek East would come in and say, "We are working on it, Jim. We have just about got the Skagway Road ready. We just about have it; we are just about ready to ink that document." Another winter came and went with the same story: a broken record.

I am really tired of that line of reasoning and thinking how well this party managed the budget and managed the finances. It gets more than a little sickening.

**Mrs. Firth:** We are talking about a tax bill here.

**Mr. McLachlan:** That is right; we are talking about a tax bill, and I want to commend, less they think I am chastising unduly, the Members for Porter Creek East and Hootalinqua for their fine foresighted ability in being able to throw away the sinful habit of smoking. The Member for Porter Creek East says he smoked a pack a day. At forty cents, if you smoked a pack a day, that would cost him \$140 over a year. I have people in the riding of Faro who did not have that \$140 under his administration. They are back working now; they were not under his.

<sup>30</sup> The Member for Hootalinqua raised the issue of the letter from the Yukon Medical Association, where a few concerns have been raised about the abolishment of health care premiums. In true Conservative style, he tells only part of the story to the Legislature, that the principals behind the Yukon Medical Association endorse fully the raising of the taxes on liquor and tobacco. That is the true Conservative way: tell part of the story, but do not tell it all lest you get a little burned. We will be supporting this measure.

**Speaker:** It is my duty to advise the Assembly that the hon. Member is about to exercise his right to close debate, and afterwards all Members will be precluded from speaking to this question; therefore, any Member wishing to speak should do so now.

**Hon. Mr. Penikett:** I have, on the whole, enjoyed the little third reading filibuster we have had this afternoon. We have not had one for quite a few years in this House, and I sort of got a little sentimental about it. I had to leave a couple of times. I apologize for that. It is not that I was bleeding so profusely from my various apertures that I had to go and bandage myself. It is just that

sometimes when the Members opposite are speaking, it stimulates me in the same way that the nurses used to stimulate me when I was in the hospital recently, when they wanted me to perform a certain function in order to do a certain test. They used to turn on the tap, and it generated a certain sympathetic liquid response in me. I am beginning to develop the same sort of response when I hear some of the speeches of the Members opposite.

We have dispatched, previously, with the nonsense of the Leader of the Official Opposition about the wild, free-spending government, spend, spend, spend. As we have pointed out, notwithstanding the items that are not detailed in this O&M Budget, that we are proposing to the House, it is a smaller increase than in any year in any budget ever presented by a Tory government since the Tories came into power. The deficit proposed this year is smaller than the deficit proposed by the Tories in the previous budget.

I am really quite amazed to hear the Leader of the Official Opposition talk about, "Well, we should have been cutting back." I would love to hear him specify where we should be cutting back. Of course, he does not do that. He knows that when he gets specific about cutting back, like we did with the Cabinet cars — he would have been opposed to that, cutting back the wine and asking for a special expense allowance, \$60 a day for Cabinet Ministers so they could wine and dine and aspirin themselves around the country. When we cut back there, they would have been opposed to that, because that would have hurt them.

If we needed to use the money that we got from Ottawa to cut back massively in all sorts of programs and all sorts of spending, I know what Ottawa would have said. Since that money was negotiated on the basis that this place had an underdeveloped infrastructure, underdeveloped capital and that we needed that money for that purpose, and then we had gone and used the money to slash our taxes and cut programs massively, I can imagine how long we would have been allowed to keep that money.

The Members want to have it both ways. The PCs oppose this particular tax increase. Of course, in grand PC tradition, they also oppose the decrease on medicare premiums. They have managed to speak out of both sides of their mouths. They are opposed to the medicare reductions, and they are opposed to the tax increase. What it really amounts to is that the PCs are opposed to any change. <sup>31</sup> With a typical fossilized mentality they would like to keep the status quo forever. The good old days, in the case that was spoken about by the Member for Kluane the other day when you had to phone Dawson City to get an application for a licence, those were the wonderful days, and they would clearly like to go back to them. That is not the direction of this government and I have no hesitation in saying that our commitment is to tomorrow. We do not plan to be yearning after the good old days, to try and reinvent the wheel or relive history.

I was quite grateful for the Member for Faro's excellent speech. He mentioned a very good point about two matters that were dealt with in the letter from the Yukon Medical Association. The bill before us is the bill to raise alcohol and tobacco taxes. The Member for Hootalinqua mentioned that letter. He mentioned that the medical profession was concerned in some ways about reducing medicare premiums.

But did he, during the debate on liquor and alcohol taxes, quote that association on that subject? No. Let me read from that letter quoted by the Leader of the Opposition on the subject of alcohol and tobacco taxes. I will read it slowly so that the Member for Porter Creek East can catch it. I will not imitate him. My lips do not move when I am reading silently, only when I am reading aloud: "As a final point, we commend the government in raising taxes on alcohol and tobacco. We would recommend that the revenue from this taxation be directed specifically to the health care budget because of the profound costs involved in treating the consequences of alcohol and tobacco abuse."

I would be quite happy to read the rest of the letter but it would be totally out of order because the rest of the letter is about medicare premiums and will be debated in the fall. I look forward to hearing the Members opposite oppose that tax reduction. I look forward to that and I look forward to the next campaign on that issue too. I know where the public of the Yukon stands on that

question and I am quite prepared to stand toe to toe with the Leader of the Conservative Party, whoever it is then, Mrs. Firth, Mr. Lang, or Mr. Phelps, on the question. I will debate it at that time and will be quite happy to do so.

It is quite clear that the leadership campaign is going on now. That is what this filibuster is all about. That is why we have had 90 percent Lang and 10 percent the rest of the caucus.

The only astute comment made this afternoon by a Member of the Conservative caucus was the one by the Member for Porter Creek West. He said he was confused. We agree. The Member for Klwane said that we should be doing our homework. We have now spent several days getting questions from the Members on the floor of the House about matters of great administrative detail during the session. They did not ask these questions about the general operation of the government before the session. We got them during the session, and we now have bureaucrats running around like crazy assembling this information for the Members.

<sup>32</sup> The only Member opposite in the Conservative party who consistently and regularly writes me letters asking for information, which we try to get, is the Member for Riverdale South, and I give her credit. She is doing her homework. She is the only one. She is doing her homework, cognizant of the fact that she is a full-time MLA, as they are all supposed to be, as they are all paid to be. They are not just sessional MLA's.

We had this terrible plaintive cry, however, from the Member for Riverdale South — which was quite a good speech, as she has been quite constructive, and her questions have been on real issues, not about the petty, niggling, pettifoggery of the Member for Porter Creek East. She said something about how she was being taken advantage of. I felt quite gallant when I heard her say that. It really did appeal to me.

The last time we debated a tax increase on tobacco was 1981. Like the nearly venerable gentleman for Porter Creek East, I was here. He suggested we should have done it his way, which is to bring the bill in effective April 1st, and even though it does not get assent until April 14th, no problem. Can you imagine the debate from the Members opposite if we had done that? Can you imagine that: retroactive legislation, taking advantage of the Members, insult to the House, abusing privileges, taking us for granted. It would have gone on and on. It would have been positively nauseating.

I recall remarking that most of this tax measure is about alcohol and cigarettes, and we have spent most of our time talking about a tiny percentage of it, cigars. Cigars are an important question, I concede that. I concede immediately the expertise of the Leader of the Official Opposition on the subject. He is a well known connoisseur of fine cigars.

He began his representations to the government on behalf of the consumers of cheap cigars. He did it very well. I was persuaded, having listened to him, because I do not have any consumers of cheap cigars on my staff or any consumers of cheap cigars in the upper reaches of bureaucracy, and I admit readily that we were insensitive. I was guilty of that. We were insensitive to the concerns of the consumers of cheap cigars. Having heard the representations from the Member opposite, as we should in the Legislature, we came back with a proposal to correct the inequity to the consumers of cheap cigars. But when you correct inequities, there has to be an offset somewhere, so we had to increase the load on the consumers of more expensive cigars. Then, the Leader of the Official Opposition changed his ground. He swivelled his knees, did an 180-degree turn, and now he championed the cause of consumers of expensive cigars. The great noble principle battle. One of the great important issues in the history of the entire Yukon Territory. One of the great, moving, earth-shattering fundamental questions of all time.

Gee, I do not know. I remember the debate back in 1981, when the Members opposite raised the taxes 166 percent. I do not remember that they had the same kind of concern about it then. Perhaps the change in leadership has given them a new style.

<sup>33</sup> Provincial status or devolution is a big thing now. And cigars are the big thing now. That is fine, that shows the kind of evolution in the Conservative Party that is curious, but not particularly

commendable.

We had the speech number three — I could have sworn there were only two, but the Member insisted it was three. The fact we have heard it three hundred times already perhaps made it seem a little familiar. The honourable gentleman wishes me to refer to him as an honourable gentleman on his birthday and of course I will. I will be charitable and will try to be as nice as is possible.

I really loved the part in his speech where he talked about the competence of the front bench and our ability to handle a piece of legislation compared with how wonderful it was in the old days, when that surly crew of efficient, intelligent, charismatic people were running the government as they were until last May. Without even doing any research I remember such bills, I remember a budget. Who can forget the budget of 1982. We swept through the budget debate before the election, then they called the election in the middle of the budget debate because they were not getting anywhere, and then we went through the election with the Leader of the Conservatives and the Minister of Finance saying we are not going to change a penny in this budget. We told them they did not have the money to do what he said he was going to do, but it was an election budget so that did not matter. But they were not going to change a penny. Up to a week before the election I was on a debate on CBC radio heard by everybody in the entire territory with the then Leader of the Conservative Party, the then Minister of Finance, a Cabinet colleague of the honourable gentleman for Porter Creek East, and he said: we are not going to change a penny in the budget, it is a perfect budget, a wonderful budget, right down to the last penny.

Well, we came back after the election and discovered a funny thing. They had started off with \$25 million when they took over office, but they did not have any left. We had an across-the-board cutback of every single department of the government. The public service of this territory were put on a nine-day fortnight. We went to an acute protracted restraint for a considerable period of time. This territory was in terrible trouble. The Ministers of the day knew it before, during and after the election. We did not get the truth until after the election. And they tell us they were so competent, efficient, wonderful and effective.

Let me remind them of another wonderful bill. I will just mention a couple because I do not want to be cruel. It was somehow suggested that when a debate is heard on the floor of this House, and the government finds some wisdom in the argument opposite, and then tries, as we are legislators, to correct the problem, that somehow that is a demonstration of incompetence. Not sensitivity, not flexibility, not open-mindedness, not reason, but incompetence. Competence, therefore, becomes defined as rigidity, inflexibility, ignorance and pig-headedness. Those are not the features of this administration, whether or not they have been features of previous administrations.

I can recall very well the bill called the *Statistics Act*. Presumably the government of the day had done its homework, had prepared and studied the matter, and answered the questions. A few questions came up on the floor of the House, just a few, from me. I was a one-person caucus at the time; a tiny, little, lonely person sitting over there where the Member for Tatchun now sits all by myself, just asking a couple of modest, timorous little questions, because I was daunted by the Tory masses on this side.

<sup>34</sup> After a couple of simple questions, they went into a flurry on the frontbench, and the bill died.

There was another remarkable example of the competence of previous administrations. There was one called a pay bill they once brought in, and then said there was going to be a free vote. It was a money measure and they were going to have a free vote. Then they forgot to bring a money message with the measure. That was an interesting little rumble. I think we adjourned for quite a long time there, half an afternoon, while we sorted that out.

There was another. There was a Yukon Energy Corporation bill I seem to remember, or was it the Yukon Heritage Savings Fund. I cannot remember. Those were a couple of bills that came before this House and died a sordid death after perfunctory debate.

Unlike the Member for Porter Creek East, I do not claim near perfection or anything like it. We are going to make mistakes. We

are debating on the floor of the House for a purpose. We are debating to hear argument about measures. When we find fault, and the question of cigars is a relatively financially small matter in terms of this total measure, I conceded the fault for that. We did bring amendments and the amendments were accepted in Committee last night and are now incorporated in the bill.

I want to pay tribute to the Leader of the Official Opposition for this. I want to pay tribute to him for this amendment, which reduces the tax on cigarillos and raises the tax on expensive cigars, so that we can have the same amount of revenue. In my mind, I shall always think of that as the Phelps amendment. If I have someone who has an expensive cigar and complains that the taxes have gone up more than they thought it would, I will give credit where it is due. I am a charitable person.

I also want to say to the birthday boy how much I enjoyed his little sermon about homework. Here is a Member who has been a Member here for 12 years, a Cabinet Minister for 80 percent of that time, — I forget, it seems forever — and still does not know what a deficit is. That really is not an example of someone who has done his homework. He may have done lots of homework, but when it came to passing the test, he flunked.

The question about the bill being drafted properly is interesting, and I have already spoken about that. Had we done it with an April 1st proclamation date, we would have had a lot of ritual speeches and ritual dances about how we were trying to do something retroactively, and how that was evil and nasty.

We had some discussion last night about accurate forecasting. As I know, the budget we inherited from the former administration had projected a \$1.1 million deficit. It turned out that at the end of the year, even after we had absorbed things that were not budgeted for — JES, a new collective agreement, and some other items — we were still \$10 million ahead of the game, apart from the accounting adjustment for employee leave. That is in the nature of budgeting in this government; it was in the nature of budgeting under the former government, and I expect it is going to be the nature of the budgeting for some time.

A final note: our dear friend across the way who is celebrating his 38th birthday today made mention of the federal deficit. I do want to say a word about that in response. One of the ways in which the federal government is solving their deficit problem is to pass it on to the provinces and the municipalities. They are doing that in a number of ways, and we had questions asked the other day about the EPF cutbacks, passing on, transferring costs of established programs, post-secondary education and health care to the provinces. It does not do away with the deficit, it just passes the buck.

I do not expect that we will be immune from those pressures. When we see the kinds of questions asked, already, about the Prospectors Assistance, we will see the pressure here. The federal government drops a program. It is a very popular program. There is a demand for us to pick it up. Yet, the Tories opposite will say, "You should have had it in the budget. You should have dipped into your own pocket. You should not have negotiated with Ottawa for the money." Of course the minute we put it in our budget and use existing resources for that purpose, the federal government will not even talk to us about having the money.

A final happy note: the Member, of course, knows what date it is today because it is his birthday, and no one could forget that. Although, when he gets to my age, he will discover that you can become forgetful. I did forget my birthday for a week once. That just comes with advancing years, and may just be wish fulfillment.

He keeps talking about his knowledge and about his infinite wisdom. He keeps telling us that we do not know what we are talking about, and that he does. He keeps telling us that he really knows what he is talking about with respect to when this session started. He keeps talking about March 18th. As a matter of fact, the session started March 13th, not March 18th. That just shows you how short and how convenient our dear friend, the Member for Porter Creek East's memory really is.

Perhaps it might not surprise you, but I shall be supporting this measure, as will the rest of my caucus.

**Speaker:** Division has been called.

\* **Speaker:** It has been moved by the Hon. Government Leader

that Bill No. 10, entitled *An Act to Amend the Liquor Tax Act and the Tobacco Tax Act*, be now read a third time and do pass.

Madame Clerk, will you poll the House please?

**Hon. Mr. Penikett:** Agreed.

**Hon. Mr. McDonald:** Agreed.

**Hon. Mr. Porter:** Agreed.

**Hon. Mrs. Joe:** Agreed.

**Hon. Mr. Kimmerly:** Agreed.

**Mr. Webster:** Agreed.

**Ms. Kassi:** Agreed.

**Mr. Phelps:** Disagreed.

**Mr. Brewster:** Disagreed.

**Mr. Lang:** Disagreed.

**Mr. Nordling:** Disagreed.

**Mrs. Firth:** Disagreed.

**Mr. Phillips:** Disagreed.

**Mr. Coles:** Agreed.

**Mr. McLachlan:** Agreed.

**Clerk:** The results are 9 yea, 6 nay.

*Motion agreed to*

**Speaker:** I declare that Bill No. 10 has passed this House.

### **Bill No. 32: Second Reading**

**Clerk:** Second reading, Bill No. 32, standing in the name of the Hon. Mr. Kimmerly.

**Hon. Mr. Kimmerly:** I move that Bill No. 32, *Foreign Arbitral Awards Act*, be now read a second time.

**Speaker:** It has been moved by the Minister of Justice that Bill No. 32, *Foreign Arbitral Awards Act*, be now read a second time.

**Hon. Mr. Kimmerly:** It is my pleasant duty to explain this rather uncontroversial bill. The purpose of the bill is simply to allow for the enforcement of arbitral awards that are made in the country which involve commercial interests from other countries. The last meeting of federal, provincial and territorial Ministers of Justice discussed this bill and all jurisdictions made a commitment, with some slight hedging from Newfoundland, to pass this bill if possible or to introduce it to the Legislatures this year.

The reason that it is coming to the fore now is that the City of Vancouver, promoted by the Province of BC, is trying to attract commercial foreign arbitration. They are also trying to attract Pacific Rim banking services in Vancouver. Because of the federal constitution and the federal nature of the country, it is necessary for all the provinces and the territories to pass such a measure so that the awards that have any effect in the Yukon may be enforced here.

<sup>37</sup> The legislation is uniform legislation, and we are not deviating in any substantial way from the acts passed in the provinces.

*Motion agreed to*

### **Bill No. 61: Second Reading**

**Clerk:** Second reading, Bill No. 61, standing in the name of the Hon. Mr. Kimmerly.

**Hon. Mr. Kimmerly:** I move that Bill No. 61, entitled *Maintenance and Custody Orders Enforcement Act*, be now read a second time.

**Speaker:** It has been moved by the Minister of Justice that Bill No. 61, entitled *Maintenance and Custody Orders Enforcement Act*, be now read a second time.

**Hon. Mr. Kimmerly:** It is estimated, and I think even conservatively estimated, that for judicial awards made upon family breakup, or on paternity suits, which order a parent or a spouse to pay the support or a portion of the support for children, that approximately 80 percent of those awards are not paid. The figure is perhaps higher than that. It is impossible to get a precise figure, because it is a matter of private law and private individuals may not wish to declare if the awards are made or not.

In any event, the courts are making awards and the awards are not being paid. This is an element of the concern about the effectiveness of the justice system that we spoke about yesterday. Certainly, I know from my former occupations as a prosecuting attorney and as a solicitor for the Northwest Territories' government, and in collecting these awards as a private lawyer and as a judge in the past, that the experience of especially single mothers, who do not

have adequate income, who have a court award and should be being paid and are not, is a tragedy. I say, in fact, it is a crime.

The intent of this legislation is to provide for the registration of these awards and the automatic enforcement by the government. I should say that an important principle is that this will not be mandatory. There is nothing here that is mandatory on the persons who are the beneficiaries of the award. If they do not wish to register the court orders with the government under this legislation, they are not required to and if they wish to remove it after the registration, they have that right. However, if a spouse, and almost all of them are single mothers, register their awards, the government will automatically monitor it and will collect the money owing if it is collectible at all. That is the principle of the legislation. I am pleased to bring it forward as a measure to increase the fairness in society and increase the economic position of, especially, single mothers.

*Motion agreed to*

**Speaker:** We will now go to Government Motions.

### GOVERNMENT MOTIONS

#### Motion No. 5

**Clerk:** Item number one, standing in the name of the hon. Mrs. Joe.

**Speaker:** Is the hon. Minister prepared to deal with item number one?

**Hon. Mrs. Joe:** Yes, Mr. Speaker.

**Speaker:** It has been moved by the hon. Minister of Health and Human Resources

THAT it is the opinion of this House that the federal government should hire a second nurse at Teslin before May 1st, 1986 for posting to the community on a year-round basis so that the level of health care in that community is raised to a level the same as other communities of similar size and nature.

**Hon. Mrs. Joe:** The intent of this motion is fairly straightforward, and I hope all Members will support it. Two years ago this House debated the motion from the hon. Member for Klwane respecting health services in Beaver Creek. It was supported unanimously by this House.

The motion for a second nurse for Teslin is similar in that it is asking federal government to give the same level of service to Teslin as it does to communities of similar size and nature. I am speaking here of Carmacks and Ross River. They have similar populations and similar sorts of caseloads in terms of highway accidents in the summertime. We have found that a few years ago the federal government adopted a policy of two-nurse health centers to replace all one-nurse stations. That brought second nurses to Carmacks and Ross River, but not to Teslin. Perhaps cut-backs on health care by Ottawa were the reason.

I can tell the House that the people of Teslin have been requesting a second nurse for a long time. I am informed that the former Chief of the Teslin Indian Band asked the hon. Marc Lalonde, when he was the Federal Health Minister, to put the second nurse in Teslin, and he received a negative response at that time.

Previous MLAs for the area have tried to get a second nurse without success.

I think the time has come for the federal government to look at the problem a lot more seriously than they have in the past. The reasons for a second nurse are obvious. In essence, there is more work than one person can handle in a town of 350 to 400 people. We could say the same for a much smaller population, for instance, Old Crow, but let us deal with Teslin for a moment.

With only one nurse, you run a serious risk of burnout by the nurse in the community. Being on call 24 hours a day, every day, does not only treat casualties, it causes them. To get a rest they must leave town, and that means the town is left without a nurse. Finding a fill-in can be difficult. That problem is eliminated with a second nurse, who can spell off the first. There is no time for preventative health education in the community, so we find that preventable cases are not prevented. This means more cases later on, but there is not enough staff to deal with them. This results in

lower quality health care standards.

In summer, the caseloads increase with the tourist traffic, accidents increase and in a town like Teslin this can mean the nurse is called away from the community for a long period of time to treat a highway accident victim. If a person is involved in a construction or a car accident in the community, or an elderly person suffers from some kind of relapse, they go without care, or have to wait or have to be rushed to Whitehorse by a relative or friend who, in all likelihood, may not know anything about first aid.

If you add all these things up, it becomes quite obvious that an investment in a two-nurse station will pay off later through reduced number and severity of cases, especially when the preventative side of their work can be done. It is only right, in terms of the level of service Yukon people should be entitled to, that each town have a two-nurse station, beginning with Teslin.

The people of Teslin have been persistent in their demands over the years for a second nurse. This tells me that the problem is serious and ongoing, and that there is a real need that has to be met. As Minister of Health and Human Resources, I wish to add my support to the desires of the people of Teslin in their quest for a second nurse.

**Mrs. Firth:** You will be very pleased to hear that we will be supporting this motion. Mr. Speaker, you are unable to speak for your constituents, however, we can do that for you, and we will definitely support the government and the Minister of Health and Human Resources in her efforts. I could make a recommendation that the Government of the Yukon could pay for this but, as the Government Leader tells us, it is better if we go to Ottawa and seek the funding from Ottawa. We may end up one day paying for it, but the longer we can get the funds from Ottawa the better off we will be here in the Yukon Territory.

I know the nurse in Teslin is a very dedicated individual and a very hard-working individual, and that the people of Teslin feel very fortunate to have someone like that to take care of their medical needs. The hours are 24 hours a day, every day and, as the Minister of Health has mentioned, that increases considerably, if it can, in the summertime when the tourist traffic starts, and the individual is required to dedicate all of her time to giving services to the public.

The point about the comparable size or similar size and nature of communities is a good one and a valid one that I do not think the federal government would be able to disagree with. I know there will be another Member who feels very strongly about this matter speaking on our behalf on our side, but I wish to say that we give our full support to the Member. Should she want to write letters to the Minister of Health expressing the unanimous consent of the motion, we will support that as well.

**Mr. Coles:** The Member for Faro and I will both be supporting the motion. Being from Carmacks, I can certainly sympathize with the people of Teslin, as up to a couple of years ago we went through the same problems ourselves with one nurse. As a result of that we went through many nurses.

Since we do have two nurses in Carmacks, one who has been there for three years now, the elders feel more comfortable with her, the young people feel more comfortable with her, and it brings a new state of stability to the whole town when it comes to health care and having the houses open to the nurses. As a cautionary note, we are now having problems in Carmacks keeping the second nurse. I wish you luck in getting a second nurse for Teslin and I hope that we can keep ours.

**Mr. Brewster:** I guess the one that I owe to the Minister of Health, I will pay back now. This is a long-standing condition that should be in every community. It is quite ironic that when I sat on the government side I put a motion through. Now the Minister sits over there and she has to, and I am glad that she followed my steps and is going to be quite determined, regardless of what the rest of the Cabinet says, that she gets this through.

I also would suggest to her a couple of little tricks on this thing. Be sure that after you get it in, or maybe the Speaker could do this

for you as this is his riding, document the cases. For instance, in my area now, when they try to take our nurse away, we can document two actual cases where lives were saved. When you put this in and compared the costs against these two lives, even bureaucrats sometimes go hide their heads in shame.

I would really not want this government or any other government to be looking at the size of a community for whether or not they have a nurse. For example, if there are only 50 people there, someone can die because there has to be a population of 100 to have a nurse. This is a ridiculous situation. When I was fighting this thing, I remember a doctor up at Beaver Creek who arrived at 6:00 p.m. and had a meeting at 7:00 p.m. He went off the next morning at 7:00 a.m. and was an expert. His criteria was that there had to be 500 people. When we asked him which community had 500 people, it dawned on him that there were not 500 people anywhere in the Northwest Territories, or there. But this was what the computer said.

This goes back to what the police say when you ask for a policeman in a certain area. The computer says you cannot have one there but you can have four down here. This is bureaucratic thinking. I think another way we could solve this whole problem is for the government to really get in and look at taking over this whole situation and then we can fight that out on the floor. I think on things like this that we would agree. I will be backing this unanimously and certainly wish the Minister lots of luck.

<sup>41</sup> **Speaker:** It is my duty to advise the Assembly that the hon. Member is about to exercise her right to close debate and afterwards all Members will be precluded from speaking to this question; therefore, any Members wishing to speak should do so now.

**Hon. Mrs. Joe:** I would just like to thank Members of the House for their unanimous support. I feel that it is nice to be appreciated and to stand here and come up with a motion that is worthwhile. I will take into account the wise words from the Member for Kluane, and I will follow his example of being very persistent. I am sure, Mr. Speaker, that your town will be happy, as well.

*Motion No. 5 agreed to*

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

**Speaker:** It has been moved by the hon. Government House Leader that the 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 call Committee of the Whole to order. Before we continue with Bill No. 17, we will take a 15 minute recess.

*Recess*

<sup>42</sup> **Chairman:** I will call Committee of the Whole back to order.

We will proceed with Bill No. 17, Fourth Appropriation Act, 1985-86, beginning with the Department of Community and Transportation Services which appears on page 9 in your books. Just before we begin I would like to remind the Members that when speaking on general debate, please keep the questions of a general nature and raise your questions specific to a program when that line item appears. General Debate, Community and Transportation Services.

**Bill No. 17: Fourth Appropriation Act, 1985-86 — continued**

#### On Community and Transportation Services

**Hon. Mr. McDonald:** It is clearly seen that the O&M has been underspent by \$116,000 and we project the capital to be underspent

by \$1.4 million. I would like to draw to the Members attention, however, that I am sure they will be interested in discovering where the funding for Faro housing is located. I can tell them that when the projections were prepared they did not take into account the \$1.6 million. That amount is in this budget and will show up in the final supplementaries for this year.

The funds that were not projected to be turned back to the Consolidated Revenue Fund are located in highway construction, facilities and equipment and the Local Employment Opportunities Program. Perhaps when we get to those line items I could explain what the under-expenditures were in those areas to allow for the purchase of housing which will, in the final supplementaries, show up under the line item of Land Development/Public Land Acquisition and that will be demonstrated in the final supplementary which will be tabled in the fall session.

**Mr. Lang:** It could be tabled over the course of this session. You are saying that the \$1.6 million that we discussed, that the Government Leader told us initially was in the budget, that now is not in the budget, is now going to be in the supplementaries? Is it \$1.6 million over and above what you are going to ask us to vote on in the O&M Mains and the supplementaries?

<sup>43</sup> **Hon. Mr. McDonald:** All I am saying is that this is not graphically displayed in this budget, yet it is in the budget. There are some further under-expenditures to be shown here, where I can demonstrate for the Member for Porter Creek East that under Capital Expenditures there is a projected return to government coffers of \$1.4 million. That is what is shown.

Beyond that, there is a further projected under-expenditure in highway construction, for facilities and equipment, and the Local Employment Opportunities Program. Those will be under-spent in a total amount of \$1.6 million. I can explain why they will be under-spent, why they do add up to \$1.6 million, which will allow for the expenditure on the Faro housing. The actual accounting of showing it in the line item, Land Development/Public Land Acquisition, will show up in the final supplementary, whenever it is tabled, when the final accounting is done.

**Mr. Lang:** I do not contend to be a financial wizard, but I have to admit to the Member opposite, I am a little confused. We were told by the Government Leader under the loans area it was \$1.6 million, and an in-out proposition as far as the housing was concerned. Am I not correct?

Now I am told by you, as another Minister in the same government, that the \$1.6 million is in here, but it will not be voted until the fall. The \$1.6 million you are asking us to vote in total on the supplementaries, of \$10,214,000, is in addition when we all shake down in the fall, or later on in this session this spring? I do not understand it. If it is in the budget now, we are voting it, it has to be included. If it is not, then it is a separate expenditure and it will be an addition thereto. Is that not correct?

**Hon. Mr. McDonald:** The Member is right, it is not correct. The revised vote, \$31 million, under capital expenditures, vote 09, the revised vote you can see at the bottom, \$31 million, includes the \$1.6 million. What the Government Leader was telling the Member last week was that the \$1.6 million is not a loan in-out program. It is a capital acquisition. It is shown in this budget as under-expenditures in highway construction, facilities and equipment and the program LEOP.

<sup>44</sup> The Member will see that voted to date is \$2 million, and the revised vote is \$2 million. Now due to the way that program operates, the late start-up, expenditures after the year end, \$700,000 cannot be spent in the 1985-86 year.

Now, under highway construction, for example, the bidding in the past year was extremely competitive and for that reason there was a savings of a further \$600,000 than was shown in this supplementary, beyond what you see already. What I have tried to explain is that the \$1.6 million is a capital acquisition. The money has been spent. Those funds are included in the revised vote. The final accounting for the \$1.6 will be shown in the next final supplementary estimate for 1985-86. It will be shown under one line item only, Land Development/Public Land Acquisition. It is already covered.

**Mr. Lang:** I do not understand this. You have said that \$1.6

million of these dollars have gone — I do not care what allocation — to the purchase of housing in Faro. I understand that. You are asking us to vote that the way you have described it, in this budget. Then you are telling me you will be coming forward with another line item for \$1.6 million. I do not understand it. Is the \$1.6 million going to be in addition to the revised vote of \$31,218,000? You are giving money back, I recognize that, and then in the fall when we write the final supps for the department, will we be adding \$1.6 million to that total?

**Hon. Mr. McDonald:** We will be adding \$1.6 million. It is incorporated into the total that you see in the revised vote. The only thing I am saying, which is perhaps confusing the Member, is simply that for the purposes of accounting, a reduction in facilities will be shown, a reduction in highways, a reduction in lay-up for 1985-86. That accumulated reduction, the \$1.6 million dollars in those line items, will show up under one line item only. We will see a reduction in those three line items, and an increase of \$1.6 million in Land Development/Public Land Acquisition.

The totals will remain the same. The shifting will finally show up under Land Development/Public Land Acquisition. I am just stating it so that the Member, in the fall or whenever the final supp shows up, will know exactly where to find it.

**Mr. Lang:** In fairness to the Minister, I now understand what you are doing. I understand that you are going to give a line item vote to that, and you will reflect, further down, a decrease in those areas, as opposed to what you are adding on to a total here. I follow that.

I have a general question regarding this budget, and the Minister can refer to the Main Estimates as well. What areas has the government gone into that they normally, in the past, have contracted out privately? Is it the intention of the government to get into other areas where services were previously contracted out? We have seen the experience with the janitorial services; we have seen the Elsa situation. I want to know, in what areas is the government getting into, further, as an intrusion by way of contracting out to the private sector versus government doing it themselves?

**Hon. Mr. McDonald:** Off the top of my head, generally speaking, over a very large department, I cannot recall any major initiatives, certainly on the order that the Member mentioned with respect to the janitorial services contract. I cannot recall any major initiatives. I stand to be corrected when we go through the O&M Mains, which would reflect that kind of initiative, but I cannot recall any major shift where the government has intended to undertake work that had been done by private contractor.

**Mr. Lang:** I think it is a legitimate question. It was purely by accident that we found out that the government was going to do their own contracting for the Elsa school addition, which was foreign to any steps the previous administration had taken for a project of that magnitude. I want it clear in my mind, so that we are aware, there have been no political decisions made that we are going to be going into other areas that have normally been contracted out?

**Hon. Mr. McDonald:** I am not going to comment on the Elsa school primary activity room, as that is Education's estimates, of course. I would be happy to comment on that private sector initiative, but if I am mistaken and there has been something undertaken, however small, by government forces, that had been previously contracted out, I will undertake to inform the Member, so that, when dealing with the Main Estimates, the Member will know exactly what change in policy has taken place.

**Mr. Lang:** Just to conclude this portion, I am not talking about \$10,000 or something. I am talking very significant contracts. I use the Elsa School as an example. Those are, in my judgment, major political decisions. The question of whether you do a service contract in an area or whatever, I am willing to give some latitude to the government. I am not going to argue that. My concern is that there has been some conscious political decisions of the government to get into areas that have been contracted out. It is a general question that I have of the Minister.

**Hon. Mr. Kimmerly:** The answer is no, there are not any.

**Mr. Lang:** Then that is fine. I just want to put the Minister of Government Services on notice. He is a good friend and a colleague

of mine. I want a full accounting, while I am going through these supplementaries, of what that Elsa school cost. Not only what you are doing in the service contracts, but all extenuating costs that the government incurred. I know it is not for debate for today, but I put the Minister of Government Services on notice. I understand the project was completed two or three months ago, and all the accounting should have been done. I want that information provided to me, and tabled, if possible. I think it is warranted in view of the project, and the way it was taken.

I have a general question on land development. What is the intention of the government regarding general land development in the communities, such as Whitehorse and other communities that have a shortage?

**Hon. Mr. McDonald:** For the period under review, the 1985-86 year, there were a number of projects which, as the Member will note, could not be undertaken. Perhaps when we get to that line item, I could explain why. In general terms, the government has undertaken that they would like to provide a full range of various classes of land in all the communities at an affordable cost. It is the intention of the government to ensure that where public expectation is that land be developed properly, that it be developed properly. We, I hope, will be announcing and implementing a homesteading policy, which will add a new classification of land to the territory. That is projected into next year. It is not for the period under review.

There was no overt decision to cut back on land development at all. The one major item that did occur during this period was the sale of the Hillcrest-McIntyre subdivision, and the reduction of a large number of lots from the inventory. I am not sure whether it shows up in the supplementaries. It certainly shows up in the projections for the O&M Main Budget as a reduction in the inventory.

The government wishes to provide a full range of opportunities for all Yukon communities.

**Mr. Lang:** I have a general question, because these are not very informative books, quite frankly. How many of the person-years, looking back into the Main Estimates here, are included now or already hired, and included in this particular budget here?

**Hon. Mr. McDonald:** Would the Member just want to clarify his question by identifying which budget he is talking about?

**Mr. Lang:** I have been in the government a long time. I know the difference. Sometimes you make decisions and hire people over the course of the year and include them in your O&M Mains for the forthcoming year. Of the six man-years you are asking us to approve in the O&M Mains, how many of them have you already hired, or have you hired any of them?

**Hon. Mr. McDonald:** I do not have the information on the O&M Mains in front of me. Let me see; it is zero.

**Mr. Lang:** It is incredible the magnetism and the magic that the Member has between himself and the civil service that he directs. Mental telepathy is the word, and I am impressed.

Another question I have about financing is: could he tell me what amount we are looking at as the final expenditure is for the recreational facility, the curling rink in Whitehorse, this year in the supps? What are we dealing with?

**Hon. Mr. McDonald:** The supps request specifically for the ski chalet was \$380,000 to bring it up to a total for YTG's share of that facility of \$2.23 million. There was also the debt payment of the McIntyre Recreation Association of \$95,000, for a total of \$2.23 million.

**Mr. Lang:** Basically, we came within the projected budget that had been presented approximately a year ago by the sound of the figures you quoted. I believe we projected a maximum of \$2.35 million for our contribution as far as that particular facility was concerned, is that not correct?

**Hon. Mr. McDonald:** The Member is quite right. These books are not particularly informative. I have the 1985-86 Mains in front of me, and I do not have that figure at my fingertips, but I believe there may have been a supplementary, which dealt with the issue, but I probably would not find it there. The figure that I recall is that since achieving office, we have spent approximately \$900,000 on the ski chalet. I would have to check that in order to get a full

accounting of it.

**Mr. Lang:** I would just like to know what the final value is. I do not want to hold up this portion of the budget for that. If you could provide that in the Mains that would be fine. I was just concerned, partially because of my own involvement, that there were certain commitments taken, which I appreciate the government proceeding with, although I do not think they had any alternative. I was just curious if we have met the objectives that we had set out financially in that framework.

I have a question regarding Dawson City that I think would be important to the Chairman, which I am sure he cannot ask. Could the Minister tell me what the result of the asbestos study of the gravel pit in the area was? Is it going to be used in the future and, if so, to what extent? What terms and conditions are we looking at?

**Hon. Mr. McDonald:** As I promised, I will give a full accounting of when the funding decisions were made for the Whitehorse Ski Chalet, how much was made and at what times. I believe that, when I became the Minister of Community and Transportation Services, we took into account the past commitments that were made by the previous Ministers with respect to this chalet. We tried our very best to fulfill those commitments because there was some public expectation that we did not want to disappoint. We absolutely had to do it. The decision certainly was a difficult one to make because there was a large amount of money involved. We felt that because of past commitments, and because of public expectation and because of the value of the facility itself, that it was a worthwhile decision. It is a beautiful facility. We have all said that in glowing terms at one time or another.

There were some preliminary tests done on the Dawson gravel pit, the front street pit last summer, which were to test the ambient air quality in the pit and around the pit while work was being done — I believe that it was after work had ceased. There did show to be some potential hazard associated with the removal of fibrous materials from the pit.

<sup>49</sup> A full report has now come back and it indicates that without remedial action taken while removing materials from the pit, there would be, in the opinion of the authors of the report, a potential hazard involved.

What we are doing at the present time is attempting to determine what remedial action would be necessary, in cooperation with Environmental Protection Services, to allow for the use of that pit. The pit on Front Street is extremely convenient for the City of Dawson, for the people in Dawson and for the territorial government as well. What we would anticipate would be some remedial action that we would request some information on, such things as watering down the material when the excavation takes place, the prohibition of using the material in such a way as it would leave it exposed over a long period of time. Since they use it for foundation work, which is the primary use of that material in Dawson, perhaps to use it for the underlay for the dike work when the dike work gets started in Dawson itself.

At the present time we are investigating alternatives to take remedial action, and I understand that fuller, more extensive tests will be undertaken by Environmental Protection Services in June, July and August, to determine with some precision any potential danger that might be associated with the use of the pit.

**Mr. Lang:** The position of the YTG now is that it is closed until such time you determine how you are going to utilize that particular quarry pit, is that correct, under the quarry regulations?

**Hon. Mr. McDonald:** Yes. The position is that it remain closed until such time as we are sure what remedial action is reasonable in the federal government's mind. We are interested in making use of the pit, if we can, and if we can determine what remedial action would be satisfactory, we would like to do that prior to the major construction season.

**Mr. Lang:** I have a cause for concern here. If the Minister is telling me that pit is closed, I have a question to the Minister. My information is that under one of the tender documents that were let and successfully taken, as far as the museum is concerned, part of the terms and conditions was that the material from that particular pit would be utilized for the foundation, which is directly contrary to what the Minister has indicated to this House. I recognize the

quandary of the Minister. I do not understand why at one end the YTG is saying one thing, saying it is undesirable to use it, that it is not environmentally unsound, yet at the same time I am told that in the specifications for the museum it is specified that the contractor utilize that pit, and they did use that pit. Why is the Minister of Community Affairs not talking to the Minister of Government Services, or vice versa?

**Hon. Mr. Kimmerly:** The Member's information is not accurate. It was not a part of the tender specification or the contract that material be taken from that pit. The contract provided for the supply of the material, and the government received a sample of material. The sample was acceptable to the government. I understand that it did come from the pit, but it is the contractor's business where he finds the material. It was not the case that that was part of the tender document or the contract.

<sup>50</sup> **Mr. Lang:** Maybe I stand corrected, although I will seek further information. If I have further to contribute, I will bring it forward. I do have some concerns that its closed for some people and maybe not closed for others. It does not bode well in the community, in the competitive sense, if I am tendering on one particular project thinking I am going to have to truck my material six miles, and the guy next door bids to truck it two blocks. There is a fair-sized profit margin in the difference if you know anything about trucking and dump trucks. I think it is a fair observation. I will check further into it, and if I come up with more, I will follow up on it.

I have some concerns about another area that is included in the supplementaries. What is happening as far as the Bear Creek Subdivision is concerned? I know it is a cause of concern and is one that has been there for quite a number of years. I know there is a certain amount of dissatisfaction the decision of the Water Board and how it was rendered. I know the government had good intentions to try to resolve the situation, but I understand it has not been. How much money has been spent to date as far as rectifying that situation, and what are the plans for the future, or else you can save the plans for the future for the O&M Mains. I would like to know what he has spent to date and what he has accomplished.

**Hon. Mr. McDonald:** With respect to the gravel pit that the Member mentioned at the beginning of his remarks, he is quite right that if the government opened the pit for one contractor and not for another, it would be manifestly unfair because the closest pits, apart from the front street, are some distance away and certainly it would be unfair. I think in the case under review, the government did not open up the pit at all. In fact, the contractor apparently removed the berm at the site on their own stick, I guess, and used materials. I am not even sure whether they even replaced the berm, but in any case it was not an authorized use of the pit.

The Bear Creek issue the Member mentions is an extremely difficult one to resolve. There was some hope last year that the Water Board would make a ruling on primary, or best use of water, in that district, because remedial action, at some cost to the taxpayer, is going to be difficult to justify, not only in this case, but in the future where development takes place in a very forced and integrated way when industrial users do compete with residential users.

There is going to have to come a time when the Water Board is going to have to rule on the best use of water in a particular area and certainly the Bear Creek situation is an almost bell-wether of what we can expect in the future with greater and more intense development in certain areas where there may be a conflict between industrial use and residential use. So certainly, we were pinning our hopes on the Water Board making a decision under the circumstances, because we, as a government, cannot always be expected to pick up all the costs associated with the conflict.

If, for example, a hydro authority decided they were going to flood Bear Creek with three feet of water after building a dam, the government of the Yukon could come in and take remedial action and put a large dike around Bear Creek just to make sure there is no harmful effects associated with that development.

<sup>51</sup> Taxpayers cannot always be expected to pick up that kind of costs. That is a situation which has to be resolved in the long term. That is the reason why governments set up entities, such as water

boards, to make that sort of decision.

There has been concern expressed by the Bear Creek residents that the government was, in part, instrumental in creating this situation by legitimizing and selling, or perhaps not so much legitimizing the existing squatter's situation, as that was more of an act to assist, but in terms of selling new lots, it was an unwitting exacerbation of the problem that was proven to exist. The government feels some responsibility for the Bear Creek residents, no matter who is in office at any particular time.

Initially, a drainage ditch was dug to try to improve the drainage problem in the area, the success of which I am not familiar with. Last year the highways department felt that some remedial action could be taken to relieve the problem. Unfortunately, the Government of Yukon failed to apply for a water use licence and was justly criticized for not having done so. That will not happen again.

The government does plan to stand with the residents of Bear Creek to try to provide remedial action and I will inform the Member as soon as I can.

Right now I would like to report progress on Bill No. 17.

**Mr. Lang:** We have a few minutes left. I appreciate the dissertation on behalf of the Bear Creek residents. I asked specifically how much was spent and I have not gotten an answer yet. Are you going to give that to me on Monday?

**Hon. Mr. McDonald:** I will give you that figure on Monday. I would like to 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*

*Speaker resumes the Chair*

<sup>52</sup>  
**Speaker:** I now call the House to order. 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, entitled *Fourth Appropriation Act, 1985-86*, and directed me to report progress on same.

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

**Some Members:** Agreed.

**Speaker:** I wish to inform the Assembly we will now receive the Commissioner to grant assent to the Bill which has passed this House.

*Commissioner McKinnon enters the Chamber*

**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.

**Commissioner:** Thank you, Mr. Speaker. May I first say what a great pleasure it is to be back in front of the bar of the House. It sure as hell was a round-about way of getting back here.

**Clerk:** *An Act to Amend the Liquor Tax Act and the Tobacco Tax Act*

**Commissioner:** I hereby assent to the Bill as enumerated by the Clerk.

*Commissioner McKinnon leaves the Chamber*

**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 adjourn.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:30 p.m. Monday next.

*The House adjourned at 5:24 p.m.*

