



The Yukon Legislative Assembly

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HANSARD

Tuesday, April 8, 1986 — 1:30 p.m.

Speaker: The Honourable Sam Johnston

Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

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

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kassl	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

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

Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

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Hansard Administrator	Dave Robertson

01 Whitehorse, Yukon

Tuesday, April 8, 1986 — 1:30 p.m.

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

*Prayers***DAILY ROUTINE**

Speaker: We will proceed at this time with the Order Paper.
Introduction of Visitors?
Are there any Returns or Documents for Tabling?
Are there any Reports of Committees?
Introduction of Bills?
Are there any Notices of Motion for the Production of Papers?
Are there any Notices of Motion?
Are there any Statements by Ministers?

MINISTERIAL STATEMENTS**Justice System Review**

Hon. Mr. Kimmerly: I wish to announce that a review of the justice system will take place. It will be undertaken by a panel consisting of Mr. John Wright as Chairperson and Ms. Joanne Bill as the other member. Both Mr. Wright and Ms. Bill will work full-time on the project.

The purpose of the review is:

1. To provide a forum for the public airing of concerns and perceived problems respecting the justice system.
2. To increase public awareness and understanding of justice system services and processes, including underlying values or philosophy.
- 02 3. To examine specific topics that appear to be problem areas in order to define the precise nature of problems and remedial action options. Areas to be examined shall include, but not be restricted to, court sessions, sentencing, policing, legal aid, and crime prevention.
4. To assess the feasibility of possible remedial actions.
5. To recommend to the Minister of Justice means to improve the systems operations and image in the immediate term and responsiveness on an ongoing basis.

It will begin immediately, and will continue until October 31, 1986. The panel will prepare a final report that will become a public document. I will table it in the Legislature.

Mr. Wright and Ms. Bill will travel to all communities in the Yukon. They will conduct workshops to gather public input that we can use to improve the system and make it more responsive to the needs of Yukoners. Both Mr. Wright and Ms. Bill are former Justices of the Peace who are familiar with the justice system. I am extremely pleased that they have agreed to perform this review.

03 **Mr. Phillips:** I am rather disappointed today that we have, once again, the Minister of Justice telling Yukoners that we will have the long-awaited-for justice inquiry but, like the *Human Rights Act*, the courtworkers and 501 Taylor Street, we are going to have to do it his way.

The public of the Yukon wanted, clearly, an independent inquiry, and we did not get that independent inquiry. The Minister has appointed the members of the inquiry and has instructed those members very vaguely to carry out hearings in the territory.

That is not what we wanted as an Opposition, and judging from what I read in *Hansard*, and from what other Members have said, including the assistant government, our friends to the left, the Liberals, they do not want it either. It is a sad day when we see the Minister of Justice seemingly trying to protect his friends in the system from having to come forward and be heard by the public.

This inquiry has no teeth, as the one we proposed would have. It is not going to be independent, as the one we had proposed would have been. This is a very watered-down approach to a very serious problem and, in my view, it has not satisfied the wishes of the

House and Yukoners as a whole. This problem will not go away as the Minister of Justice wants it to. I am sure many Yukoners must be very disappointed in the Minister's actions today.

Mr. McLachlan: One comment that I would like to make at this time is a single word comment, "finally". We do see something moving forward from the Justice Department. Although it is not in the form that all would wish to see it in, nevertheless, we are prepared to examine the nature of the review and hope that it will provide some worthwhile improvements to the system.

It will be interesting to see what action the Minister takes when the report is finally tabled by the October 31 deadline. We certainly hope that he does not sit indeterminately on it. It is our fervent hope that the Minister does not constrain the review process by budgetary limitations.

The other question I would ask the Minister is: does "immediately" mean next week or next month, when he says it will "start immediately"?

04 **Hon. Mr. Kimmerly:** Immediately means today. The statement was purposely factual, and not argumentative or supportive. It simply announced the intentions. By way of rebuttal, because my Conservative colleague became extremely partisan in his statements, let me say that the intention here is absolutely and clearly to look at constructive comment in a responsible way. It is not to provide a forum for destructive criticism.

Speaker: This then brings us to the Question Period.

QUESTION PERIOD**Question re: Faro housing mortgage**

Mr. Phelps: About a week ago I was asking questions of the Government Leader about arrangements for the mortgage on housing in Faro, the second mortgage, and I was told to look it up in the Land Titles Office. I have done so. I would like to know who is responsible for drawing up those documents.

Hon. Mr. Penikett: If you are asking who did the drafting, I presume the drafting, as with all legal instruments, was done in the Department of Justice.

Mr. Phelps: Would the Minister of Justice confirm that that is the case?

Hon. Mr. Kimmerly: I am unclear as to what document is being waved by the Leader of the Official Opposition. I have had no notice at all. There was use of non-government lawyers for Faro real estate transactions. I am completely unaware of the piece of paper he is waving around. Perhaps if he sends a copy over, or describes it particularly, I can find out very quickly.

Mr. Phelps: I do not wish the Minister to get unsettled because I held up a piece of paper. I thought I made it very clear that my question was about the security for the \$3.4 million lent to Curragh. It was said, in all documentation provided by the government, that there would be a second mortgage. We were asked to go and look up the second mortgage, and that is what I have in my hand: the mortgage. We were told that it was a public document, between Curragh Mining Properties Inc. and the the Commissioner of the Yukon Territory, dated for reference this 22nd day of November, 1985.

Who was responsible for preparing this mortgage? Was it the Department of Justice?

05 **Hon. Mr. Kimmerly:** The Department of Justice was certainly involved in the process of preparing it. As to whether or not the department specifically drafted it, I will find out and get back very shortly.

Question re: Faro housing mortgage

Mr. Phelps: Did the Department of Justice do the actual drafting of this document? Surely, at least, they scrutinized it before it was used as a mortgage and filed in the Lands Titles Registry. I would like to know whether, if they did not actually draw the mortgage, they approved it prior to it being signed and filed?

Hon. Mr. Kimmerly: I have no personal knowledge. It was

obviously with the department for which I am responsible. I will check on it and get back very shortly.

Mr. Phelps: Would the Minister of Justice, when he is doing his review, have a look at the mortgage and explain to this House why we have here a document that has virtually none of what are standard clauses in every mortgage that is held in the Lands Titles Office, particularly given the fact that this is a mortgage to secure \$3,400,000. Would he look into that as well?

Hon. Mr. Kimmerly: Yes.

Mr. Phelps: Would the Minister provide us with an answer as to why the mortgage contains no acceleration clause?

Hon. Mr. Kimmerly: I expect I can, after I find out.

Question re: Group home

Mr. McLachlan: Can the Minister of Health and Human Resources advise us, when the documents were signed for the purchase of 501 Taylor Street, if the government asked for a back-out clause that would allow them to abrogate its responsibilities if the intended use for which the house was to be put was not agreed to? Would the government then be able to back out of the agreement?

Hon. Mr. Kimmerly: I will answer that as the Minister of Government Services. There was a real estate offer made subject to a zoning change occurring. The zoning change actually did occur and the real estate transaction was closed after the zoning was approved. As the Member is aware, the Board of Variance subsequently quashed that zoning change.

Mr. McLachlan: Do I then interpret the Minister's answer to mean that if, in fact, the original decision, the basis on which the house is bought, is reversed, the government could now abrogate its deal and back out?

Hon. Mr. Kimmerly: That is an interesting legal question that could be researched, of course, but the commercial interest is not to do that, as we paid \$187,000 and the assessed value of the property is \$400,000. The replacement value is \$500,000 or \$600,000. It is commercially not in the government's interest to do that.

Mr. McLachlan: I am not suggesting in any way the government would get stuck, I am simply suggesting to the Minister that businesses make deals such as these subject to securing necessary financing. That is not the case of the government, but it certainly would be subject to being able to use it for the intended purpose. The supplementary question I have for the Minister is again: if you cannot use it for that purpose will we get our money back or will you resell the house?

Hon. Mr. Kimmerly: Those are hypothetical questions, of course. The fact of the matter is we made an offer subject to being able to use it for the intended purpose. We obtained the zoning change and subsequently closed the deal. Those are the facts of the matter. Were we to decide as a government to dispose of the building, the option, which was mentioned as a hypothetical one, could be considered and we could obtain a legal opinion as to the possibility of that.

Question re: Faro housing mortgage

Mr. Phelps: Getting back to this document called a mortgage between Curragh Mine Properties Inc. and the Commissioner of the Yukon Territory, which incidentally is dated the 22nd day of November 1985. It was not filed until the 13th day of February 1986.

Would the Minister of Justice, in his examination of the document and looking into why it does not contain standard clauses, please report back to the House why this document has no clause with regard to the repossession of properties in the event of default by Curragh? Would you look into that?

Hon. Mr. Kimmerly: Yes.

Mr. Phelps: Would the Minister of Justice kindly look into the reason why, in the event of default, there is no provision for the appointment of a receiver of all these properties? Would he look into that and report back?

Hon. Mr. Kimmerly: Yes, of course. The list of questions is obviously a list of the clauses that you would normally find in a standard mortgage of a piece of property. I am advised that there

are other agreements that speak to exactly those issues. That is the general reason. The answer, specifically, is yes.

Mr. Phelps: Notwithstanding the Minister's response to the last question, perhaps on this issue he could also report back why the document does not contain any provision for costs being awarded on a solicitor-client-basis?

Hon. Mr. Kimmerly: Yes.

Question re: Faro housing mortgage

Mr. Phelps: I am wondering whether or not this government did a study to ascertain whether or not there was any equity left over, once one took into account the first mortgage against the properties, that is to say, on the basis of market value or the proposed sale price of the various buildings? Do we have any documentation to show whether or not there was any equity left over against which this second mortgage would attach?

Hon. Mr. Kimmerly: Again, I will take the question as notice. I would caution the Member opposite about considering the market in Faro at the time as a fixed, discernable market. At the time of the mortgage there was no market for real estate in Faro. In any event, the question is a clear question, and I will get a clear, specific answer very shortly.

Mr. Phelps: In view of the fact that the mortgage is very specific, in that the \$3.4 million can only be collected through real property being security, and reads, "The lender shall accept the real property as their sole security in the second mortgage obligations, and there shall be no recourse to the borrower or its assignee", I would like very much for the government to provide this House with any documentation that would show that there was equity of at least \$3.4 million against which the mortgage would attach. Do I take it that that is the Minister's commitment?

Hon. Mr. Kimmerly: That is the same question, and I give the same answer.

Question re: Group home

Mrs. Firth: I have a question for the Minister of Health and Human Resources regarding 501 Taylor Street. The Minister has told us that her officials will be examining various options within the next few days regarding 501 Taylor Street. Can she inform the House of the direction that she has issued to her officials as to which options to pursue?

Hon. Mrs. Joe: I have instructed my officials to go over the decision to look at all the options and to come back to me and consult with me about a decision I will have to make.

Mrs. Firth: I would like to ask the Minister to be more specific, if I could. Is she saying that she has just said to the officials, "Examine all the options." Or has she directed them to examine the options as to what could be done to continue with 501 Taylor Street as a group home for young offenders, or has she given them some direction to pursue some other usages for 501 Taylor Street.

Hon. Mrs. Joe: I do not think that we are going to be making decisions on what we are going to do until a decision has been made. I think what we are looking at is responding to the decision by the Variance Board, and that is what we are going to be doing.

Mrs. Firth: Am I to understand that she has directed her officials to look at the options to carry on with 501 Taylor Street being a facility for young offenders, or is she saying, "Look at 501 Taylor Street for some other usage." That is all I would like to know.

Hon. Mrs. Joe: I have not said that they should look at 501 Taylor for other uses. We are waiting until we decide what to do about the decision that was handed down by the Variance Board. When we make that decision, I will let the Member know.

Question re: Traps

Mr. Coles: I have a question for the Minister of Renewable Resources. Could the Minister provide the House with the number of trapline concessions that were given extended probationary periods for this year for applications that were filed in the past year?

Hon. Mr. Porter: I will give my undertaking to the Member to

obtain the information from the department and provide it to him as soon as possible.

Mr. Coles: Would the Minister also advise the House of reasons why his department would extend probationary periods for any trapping concession and perhaps even enumerate a specific example for us.

Hon. Mr. Porter: I will give my undertaking to the Member to follow through with that question as well.

Mr. Coles: At the same time, could the Minister provide the specifics, or a good reason, why concession number 293 was given a further extension to the probationary period even though the trapper on the concession seems to have met all of the branch's conditions?

Hon. Mr. Porter: Generally speaking, I think that related to the original agreement of the original probationary rule that was levied in this case. I recall that there was some discussion about the trapline and there was some recommendation to split the trapline into three parts and distribute it among the adjoining trappers. The eventual decision was to give it to a trapper, to do it on a probationary basis. Certain guidelines were attached to the provisions of the probationary order. I believe that the further extension would relate to the fact that there is a possibility that maybe some of those guidelines were not lived up to.

I will specifically go over that particular transaction, that decision to extend, and inform the Member of any additional information that should be made available.

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Question re: Group home

Mr. Lang: I have a question for the Minister of Health and Human Resources and it has to do with 501 Taylor Street. It largely has to do with representation made to me by constituents, some incidentally living in the Member for Whitehorse South Centre's riding. The question put to me that I put to the Member yesterday was: when the decision was made to buy the house with the swimming pool why was the decision not made at that time what use would be made of the swimming pool?

Hon. Mrs. Joe: I gave him all my answers yesterday. He asked that very same question and I told him we did not feel we had enough information with regard to what we were going to do with it. We knew there was a swimming pool there and we knew we were getting a good buy by paying \$187,000 to buy that facility. What we talked about was using that area as a training workshop. That was one option we had. We looked at it in that way, as a possibility of covering it over and using it as a training place. In 501 Taylor Street there would be programs that would fit the facility to house young offenders, not only programs for people in there, but young offenders who may want to take advantage of, or who have been ordered by the courts to take advantage of, some of the programs we have.

Mr. Lang: The Minister told us yesterday the house was purchased — and very rapidly purchased I should point out even in view of the fact that an appeal was pending — and had to be utilized very soon by the people we are concerned with, the young offenders. What I do not understand is that six months went by after the purchase and still no decision has been made with respect to the utilization of that particular area. It does bother some people, that the taxpayers now own a swimming pool. I want to know when the Minister is going to make a decision and, if it is going to be used as a pool, is she going to follow the guidelines set down by the *Health Act*?

Hon. Mrs. Joe: We do not know what we are going to do with the house yet because there is a decision that has been made by the Variance Board. In response to the statement we made a rapid purchase, we did not. The Member asked these questions yesterday and I have them back for him today. There was Cabinet approval on November 7. There was an application to the City Planning Board on November 28. There was Management Board approval given on December 3. The Planning Board hearing and decision was on December 19. We purchased it on March 3. The official Notice of Appeal from the city came to us on March 20.

Mr. Lang: My question is fairly straightforward. In the purchase of the house did you consider whether or not you would

have to designate that particular pool a public or semi-public pool as per the regulations under the *Health Act*, and did you look at the costs associated with it?

Hon. Mrs. Joe: We did not have a firm decision on what we were going to do with it. We did not approach the City Health Board to find out what things had to be done in order to run a swimming pool. The thing in our mind was to leave it there. It was just a thought that we had. Our ideas were towards a workshop.

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Question re: Raven carving

Mr. Brewster: Having had conversations with one of the major truck lines of the Yukon re transporting the raven carving, the rate for 1,000 pounds, \$250; the rate for 500 pounds, \$132; and a backhaul to Vancouver would probably give a better rate.

Did the Minister or the department look into or investigate the feasibility of having Yukoners do the carving of this bird?

Hon. Mr. Porter: The Member raised this question in the debate yesterday. I undertook to contact the department to get the relevant information that pertains to the question as again raised by the Member this afternoon. I have done that. Unfortunately, the bureaucracy sometimes does not work as quick as we all would like it too. I have had no information on that particular question delivered to me today to respond to the Member's question.

Hopefully the situation will be that tomorrow I can report to the Member on the specific questions that he has asked about the issue of the seven foot raven.

Mr. Brewster: As the raven is the official bird of the Yukon, does the Minister not feel that it should have been put in the Expo plans from the time it became the official bird, rather than only if there was enough money in the budget, as the Minister as stated?

Hon. Mr. Porter: It is a situation where the decision has been made. We are always blessed with the ability, in review, to second-guess decisions and make determinations and questions as to the advisability of those decisions. I think that this area is an area where there have been representations made by the Member who is raising this question. We took it seriously. We responded to conform largely with the recommendations as made by the Member asking the question. We responded in a positive fashion. We did, essentially, do what he asked. He is still not satisfied that we have made a positive decision on this question.

Mr. Brewster: How does the Minister justify this decision to have the work done in Vancouver under the present government policy of local hire?

Hon. Mr. Porter: The policy of local hire has not been totally completed. Yesterday, my response was that it was a cost-effective decision. If there is anybody who champions the philosophy of saving every cent that you can find, I am sure the Members opposite would agree that where we can save money as government, we should do that.

Question re: Faro school addition

Mr. McLachlan: What does the government intend to do with the rapidly crumbling school addition in Faro?

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Hon. Mr. Kimmerly: I am slightly confused. The Member said "a school addition", and we have not made an addition in Faro. If he is speaking about the problems with the sinking foundation under part of the school there, that is an ongoing consideration. The decision about precisely what will be built or repaired will be made by the Department of Education after consulting with Government Services. I would expect it would be made after the number of students can be appropriately projected.

Mr. McLachlan: The Minister is mincing words. I would like to remind him that whomever built the additions built them on permafrost, and they do crumble. We need those classrooms and additions for September 1. We are banking on having them. It is too late now to build anything new. The Government Services department appears to be dragging their feet on a stabilization position. When will a decision be made?

Hon. Mr. McDonald: The situation, as I have explained it to the Member in the past is that, upon receipt of information from Government Services, the use of most of the new addition by students is not considered safe. The part of the new addition that is

on new foundations is considered condemned. The decision made by Government Services as to what to do with that addition will not include the housing of students.

We may be able to salvage the part of the new addition that is on old foundations. The government is seriously looking at the use of the Faro Rec Hall for certain purposes, including use of the gym itself. That decision will be made in the very near future, and any capital costs will be identified and brought before the House.

Mr. McLachlan: Will a decision be made as early as April 15 when the municipality of Faro must strike its final operating budget for the year? May we expect it as soon as that?

Hon. Mr. McDonald: I doubt it. It could be that the decision would be made that soon. The negotiations between the Town of Faro's Advisory Council, our administrator and Curragh Resources regarding user pay principles of the facility are still underway. I will try to get an update for the Member. The situation will have to be resolved in such a way that the Town of Faro can absorb any costs associated with their share of the rec facility when the deal is finally struck.

12 Question re: Whitehorse Assessment Centre

Mr. Phillips: Yesterday the Minister said that the assessment centre was going to be more secure by, "that security will be by way of more staff per ratio."

What is the current number of staff in that building now?

Hon. Mrs. Joe: I do not know the exact number. I will have to come back and let the Member know.

Mr. Phillips: Yesterday the Minister stated that the staff ratio would be different. Can she tell us what the staff/youth ratio is now in this building?

Hon. Mrs. Joe: I do not have the exact figures. I will come back with them tomorrow.

Mr. Phillips: It is a very important issue, but the Minister does not know anything about what is happening in the building. What will be the ratio when it becomes a secure custody, according to the statements the Minister made yesterday that the ratio would change. Since the Minister does not have the other information, she must know what the new ratio will be so the facility will be considered secure?

Hon. Mrs. Joe: The population of that centre changes from day to day. I will come back to this House tomorrow, and I will have an exact answer to all the Member's questions posed today.

Question re: Regional Resource Roads Program

Mr. Lang: My question has to do with the Regional Resource Roads Program. Yesterday a question was asked by my colleague, the Member for Porter Creek West, with respect to when the guidelines and details for the Regional Resource Roads Program would be publicly announced. The Minister said that they had been publicly announced some time ago. Could he please tell me where that announcement was made, and whether he can provide us with copies of the guidelines?

Hon. Mr. McDonald: The guidelines have been announced to people who have made application to my office under the program. There was a decision made some time ago that we would not insist that applications be made on any particular application form, but that people would make application in a general way and we would respond to them by giving to them the details of the guidelines. I can certainly make those available to the Member.

Mr. Lang: Have these guidelines that I am making reference to been agreed to by the major industry that would be affected by them, by the Chamber of Mines? If so, when?

Hon. Mr. Penikett: As the Member will know, the policy that we developed with respect to the Resource Roads Program was that it should be made available to not only the mining industry, but also the forestry, fishery and other renewable resource industries. Continuing consultation has been held between officials of all three departments responsible for those areas and industry groups. As a matter of fact, with respect to the mining industry, my officials met with the Chamber of Mines a number of times to talk about the guidelines. I believe, in a most recent meeting with the Chamber of Mines, the Chamber not only had some final input into the way we

were delivering the program, but also had recommendations to us about a schedule of roads or projects or areas that should receive priority in consideration from us for funding under this program.

Mr. Lang: Could I ask the Government Leader if there is a firm policy in place now as far as the guidelines and procedures to be followed for the purposes of applying for the \$2.5 million? In the Public Accounts Committee it was stated that an announcement was going to be made by April 1? Are firm guidelines in place and passed by Cabinet?

Hon. Mr. Penikett: As has been said before, the answer is yes. The Member also asks if we can table them and the answer has already been given, yes.

Question re: Women's Directorate talent bank

Mrs. Firth: I have a question for the Minister responsible for the Women's Directorate. I noticed in the Sluice Box that there was an ad soliciting women to participate in the talent bank for the Women's Directorate. Can the Minister tell us if she has given the Women's Directorate any direction as to whom else to seek contributors from, any other organizations?

Hon. Mrs. Joe: I have to apologize, but I missed the first part of the question.

Mrs. Firth: I will repeat it but I hope I will not have to relinquish one of my supplementaries. I noticed in the Sluice Box there was a solicitation for women to submit their names to the talent bank. I wondered if the Minister had directed her department to put that in any other place, or newspapers, or perhaps the Chamber of Commerce. Has she given the direction to do that advertising anywhere else?

Hon. Mrs. Joe: Yes, I have done that. It will be advertised in other newspapers and other organizations.

Mrs. Firth: Could the Minister tell us when she gave that direction and when it will be advertised, because I have had some concerns brought forward that no one else was aware of the talent bank and of the potential of enrolling.

Hon. Mrs. Joe: I do not have an exact date. There were discussions on it and we do not have anything I can table in the House that indicates anything. If the Member wants a date I will try to find out what it is.

Mrs. Firth: Yes, I would like a date if the Minister could. I have a final supplementary regarding the Cabinet sub-committee of the Women's Directorate. Could the Minister briefly tell us who is on that committee, what its mandate is and when it is first going to meet?

Hon. Mrs. Joe: The members of that committee are the Government Leader, me, the Deputy Minister of Justice, the Deputy Minister of the Public Service Commission and the Director of the Women's Bureau.

We will meet after session. The mandate of that committee right now is to work together with us and to put together a plan of action for women.

Speaker: Time for Question Period has now elapsed.

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chairman: I will call Committee of the Whole to order. We will now recess for fifteen minutes.

Recess

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

the Department of Community and Transportation Services, O&M expenditures, Lands and Housing, continued.

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

Mr. Lang: The Minister made a number of commitments that he was going to provide us with some information today. Does he have it with him?

Hon. Mr. Penikett: I was asked yesterday by the Leader of the Official Opposition about the item referred to on page 4 of the Throne Speech regarding the Carcross Health Centre. The Carcross Health Centre was a one dollar line item in the 1985-86 Capital Mains. When negotiations with the federal government were completed it became part of the \$1,183,000 capital supplementary in supplementary No. 1 last fall.

It was properly referred to in the Throne Speech as part of the \$25 million added to that supplementary. It was substantially completed by mid-March, 1986 at a cost of \$528,290 and the government of Yukon cost-shared 70 percent of that project.

Mr. Lang: Perhaps the Minister could provide us with copies of the costs associated with the Carcross-Skagway Road. He committed himself to table those at the break last evening. I forgot to remind him.

Hon. Mr. McDonald: I can do that right now. While I am on my feet, I may as well go through some of the information that I have been able to receive to date. I have 10 copies that I will release to the opposition.

¹⁵ **Mr. Lang:** In view of the fact that we are filing documents, do I take it that the Minister will see that copies are provided for his side of the House as well as the media?

Hon. Mr. McDonald: Without question. I thank the Member for thinking about my colleagues. I will see to it that they get the information.

Yesterday, a whole series of questions were asked, and if Members will bear with me I will try to provide some of the information.

One question was asked by the Leader of the Official Opposition with respect to the incidence of highway traffic accidents involving domestic animals for the year 1985. The information that we have is information for the entire territory. It involves domestic and wild animals. There was no breakdown of that figure. The information that I have today is that 4.2 percent of the accidents showed a collision or an incident involving domestic and wild animals. The 4.2 percent of the accidents had that collision as a contributing factor to the accident.

With respect to the question on the resurvey costs for Keno City, as mentioned last night, the information that we had as of February 12 was \$83,000 to date. We anticipate that the cost will be \$83,000. There may be some minor additional costs if a public hearing is required under the act. Generally speaking that seldom happens.

The Little Teslin subdivision that the Member mentioned is complete. It created less total loss than from before. The cost of the resurvey will largely be borne by the cost of the lots. That determination, like the situation in Keno, has to go to Cabinet.

¹⁶ With respect to the Clear Creek Maintenance, the letter I had sent to the fellow in Mayo regarding the maintenance essentially stated the position of the people in highway maintenance, who suggested that the road was not maintainable. By having that situation reviewed I am not guaranteeing by any means the review will be done before the fall, but a review will be done.

With respect to the Water Board and Bear Creek cost implications, no estimates have been done on the overall cost. The trial septic system for the community would be one element we would investigate. It would come to a maximum of \$25,000. That is a ballpark maximum.

Mr. Lang: Is it included in this supplementary or are we talking about a supplementary in capital coming in the fall — the \$25,000 you are talking about?

Hon. Mr. McDonald: It is not included in the 1985-86 Supplementary. If we were to do it we would probably try to find offsets within the department. We would not seek additional money

for that particular item if we decided to opt for that particular course.

The Pelly Crossing airstrip that was brought up last night shows \$24,000 being spent this year. The Member asked if the construction work would be contracted or not. The answer is yes, under normal contract guidelines, of course. The grubbing, slashing and stripping would be done in a manner similar to what has been done. Any more will be done in a manner that is similar to the way the highways department generally does it.

¹⁷ We think the total budget over a number of years will probably be \$279,000, but the figure that I mentioned last night, \$100,000, is the amount that we have budgeted for this coming year. That is in the Capital budget already for 1986-87.

The Member asked some questions about the four-plex and six-plex, but I presume that when we get to that line item we can handle that.

The Member asked a number of questions about axle loadings, the bridges between Skagway and Faro. I have had it confirmed. The only bridge that the department and the Department of Public Works' bridge engineers feel needs some extra work and some strengthening would be the Takhini River Bridge, which has been budgeted for and is incorporated into the plan for this bridge. I am informed that much of the structural repairs have been on the books for some time. They are considered necessary for the long-term use of that particular bridge. I have been informed by bridge engineers that the use of the bridge can be made in the bridge's current state, but that in the long-term it would be best to strengthen it. We have budgeted the funds necessary to do that.

The Member asked a question about the article under the *Highways Act* that would allow for the issuance of overweight permit fees set by regulation. The article under the *Highways Act* is Sections 31 and 32 of the act, where Orders-in-Council can be enacted to make special provision for over-load or over-size permits for specified highways and prescribing conditions in respect of that.

I have been informed that this would be the method by which such a change would be made. I have been informed that setting fees is normally done through a regulation of this sort — permit fees, licensing, et cetera. The amount and the specific conditions are normally done through regulation. That is the way we will do it here.

There was the opinion that should we want to specify a special condition only for Curragh Resources, it would require a change in the act. If we were to allow for special conditions on a particular stretch of road for an over-length truck or an overweight truck, that would apply to all industry or any user of the road, that it would simply require an amendment to the regulations.

¹⁸ The Member asked a question yesterday about whether or not we would expect insurance rates to drop at Golden Horn as a result of the institution of a firehall in the area. The inspectors from the insurers' advisory organization have to inspect the facility first. Presuming that it was in operation and the guidelines of a volunteer fire department were met, the rates would probably drop to the neighborhood of one-third in the district covered by the operations of that firehall.

The drop in insurance rates would not be felt immediately, as the inspectors would have to inspect, go back and make the necessary changes. We would anticipate probably a year's delay. That would be a reasonable expectation.

Mr. Lang: I appreciate the Minister bringing the information forward. I know how much work is involved and I think it has been informative. The people in the department have to be commended for the effort they have put into the expedient manner in which it has been presented.

I would like to go individually through the list. The Minister keeps talking about the Takhini Bridge. What are the estimated costs of reconstruction and where can we find those monies if they are going to be voted on next fall? I would like to know the amount. What is the structural soundness of the Pelly Bridge just outside of Faro? Has there been work done on that bridge in the last couple of years, and how much was spent on it?

Hon. Mr. McDonald: That bridge is one of the strongest on the route. It is well within the safety rating for traffic conditions

expected on the road. I would have to check to see how much money has been spent on the bridge. It should be a reasonable amount over the last three years.

The amount already budgeted for the Takhini River Bridge in the Capital Budget is \$50,000. I expect that will be sufficient to undertake the necessary strengthening for expected traffic on the bridge.

¹⁹ **Mr. Lang:** I do not want to belabour this but I am pleased and, at the same time, somewhat taken aback by the report by the Minister because it was my understanding that over a number of years there were concerns being expressed by the technocrats of the capabilities and the foundations of our bridges, even to cope with the 134,000 GVW limit that is presently in effect, as opposed to increasing to 160,000 GVW. I name Pelly Crossing, specifically, because it was identified to me at one time as an area that would have major problems. I look forward to the report to the House on the technical side, if there is a report, because I am asking this question, not to be argumentative, but from a safety point of view. It does cause me concern. I am pleased to hear, if what he says is accurate, and I have no reason to doubt it, but it obviously is 180 degrees different than what I was told a number of years ago. We went to the point of approaching the federal government to see if we could get a report done on the structural soundness of our bridges. That is how far the concern had gone. I look forward to seeing if there is a technical report and would like to have it tabled so it is available in the public forum for interested people to go through.

What type of airstrip is Pelly Crossing going to be? Is it going to be a C or a B? We were talking \$25,000. Then it went to \$100,000 and now we are up to \$279,000. Are you looking at having a weather-reporting station there as well? What exactly is going into that particular airstrip?

Hon. Mr. McDonald: I think the most we can expect in the way of technical services would be a wind sock because it is essentially an emergency airstrip the way Braeburn airstrip is. The figure includes the construction, levelling, site preparation and clearing for the approach, gravel surfacing of the taxiway and road access to the site. It is clearly an emergency strip in the same manner as other emergency strips. It is not meant to be a licenced airstrip and will not be incorporated under the B and C program. It is my understanding that the federal government is not interested, whether they transfer the B and C airports to us or not, in adding any new airports to the program. We are trying to convince them that a couple of airports would be nice and would certainly like to see that happen.

Essentially, this is an emergency airstrip, of which we have between 17 and 20 around the territory. One of the things that the department is undertaking right now is a review of all the emergency airstrips in the territory, because it is not only the capital cost associated with building them and keeping them upgraded, it is also regular maintenance throughout the winter, which is a factor. A study is being done to determine what is actually necessary for the emergency airstrip program in the territory. The policy would keep the O&M costs to a minimum and, at the same time, provide necessary access to various areas. Pelly Crossing is certainly one of them. My understanding is that the request for Pelly Crossing airstrip has been ongoing for ten years and we looked favourably upon it for the reasons I mentioned last night.

²⁰ **Mr. Lang:** I am not arguing that. I am going to have to check the record. I do not recall ever being told that there was going to be an airstrip built at Pelly in the Capital Budget that we passed in the fall. It may be my oversight, or it could be the Minister's. If it is mine, I will apologize. If it is his, I would expect him to apologize. We are talking a significant amount of money being voted by this House. If we are not informed of where that money is going, it puts us and the public at a disadvantage to some degree.

I had another question that has to do with the bulk commodity fees. It concerns me the sections that the Member cites, section 31 and section 32, which basically is for overweight permits and motor vehicle permits as well, in that spectrum. I would submit to the Minister that I think you are stretching, in my judgement, the definition of what that particular section takes into account. If that particular section is being utilized for levying a bulk commodity

fee, why is it specially designated for the purposes of revenue in the O&M Estimates if it is strictly an overweight permit?

Hon. Mr. McDonald: There is so much in the Member's statements that I really have to respond to all of it. I apologize if I do not get around to it all at any given time.

With respect to the airport at Pelly Crossing, if I failed to mention it in a very large Capital Budget, almost half of which would have been under the auspices of Community and Transportation Services, then I apologize. There was probably in the neighbourhood of \$35 million to \$45 million worth of projects there.

The information that I have received from our legal people is that the clause in the *Highways Act* does permit the allocation of special permits for overweight vehicles on the highways between designated spots, and stipulates, as is the case for over-dimensional vehicles right now, that a fee can be charged for providing that special permit. The reason why we identified it in the O&M Main Estimates as bulk commodity fees is that we wanted to identify it as a special item so that Members would see specifically what revenue might accrue from this special permit.

Mr. Lang: I will be the last to question the legal department, especially when I read a document such as the mortgage that was discussed in Question Period. I would have a second look at that to see whether or not an amendment is required. I would feel very badly if this government put itself in a position where certain revenues were to accrue to this government under certain agreements and then it was found that the legal authority was lacking. That is the observation I am making. It would seem to me to be a tax stretching the parameters of Sections 31 and 32 that he cited as the particular legislative authority.

From my knowledge of it, I would suggest it be reviewed. But, never let it be said that I would tell the government what to do.

²¹ The Minister gave a commitment to say who the consultant was who did the work regarding the *Highways Act* and the other work that was done to the tune of \$24,000 to \$30,000 as stated in the supplementaries. Can the Minister provide that information as well? I am now told it was \$89,000

Hon. Mr. McDonald: There was one consultant by the name of Robert Humphries, who was a former Assistant Deputy Minister of the Department of Highways in Ontario, hired for \$3,500. He was consulted on the strategy development for the revamping of the *Highways Act*, as well as some work done on the Dangerous Goods Regulations and the *Motor Transport Act* that dealt with deregulation of the trucking industry, the fitness test issue, which is almost complete.

Beyond that, with respect to transportation policy, Cipher Consultants and Professor Haratose, both from Ontario, have been undertaking comprehensive background work on the current transportation systems and such things as the socio-economic environment issues of regulation and what would be necessary for the development of a transportation policy framework. It totals \$50,000.

The consultant from B.C., Mr. Heaver, for \$12,000, had been contracted to provide some background on a water transportation policy. That would help us resolve some of the issues that have been causing some concern in the House.

A \$10,000 contract has been issued to a Mr. Barrett. He was responsible for looking into the background on data services and the trends within the industry for motor carriers. That policy work was initially contracted in 1985-86 but some of it is going to carry over into the end of the fiscal year deadline and will be undertaken in the new year. It will be part of the rural policy framework and development of policy in the coming two years. That is the information I have to date.

Mr. Lang: What special expertise do these people from Ontario have with respect to our transportation problems here and in looking for solutions that we need here? Would the Minister also provide some information on the last consultant who was contracted for \$10,000? Where did that individual come from?

²² **Hon. Mr. McDonald:** The standing of these people in their field is very high. They would not be responsible for providing political sensitivity. That would be the responsibility of the politicians and the public in the Yukon. They would, however, be

responsible for providing the background; what could be expected in the transportation policy, of which we have no such entity at the present time.

If the Member wants more information on the backgrounds of Cipher Consultants, Mr. Barrett and Mr. Haretose, I could undertake to provide further background on these people.

I do not know any of these people personally. They are not friends of mine. They may be, in the future, if they continue working for us. At the present time, I can tell the Member that I did not hire family or friends or anything else.

Mr. Lang: I do not think the Member is from Ontario, so I do not think that comment would be made, unless I am wrong.

Have any of the policy papers enumerated been completed? Have there been any other policy consultant-type contracts tendered along with the ones that he has outlined to us?

Hon. Mr. McDonald: Not under the Supplementaries. I am just looking at the contract documents, of which I believe the Member will be getting a copy sometime soon. I believe I have given the Member the people who were involved in the transportation policy matters. Of all the contracts that are involved here, I have given the Member the list of those who are involved in transportation and highways acts and the transportation and communication policy development. There are no further ones than that. I am not sure whether they have reported, or how they are going to report. I do not have that information at this time.

Mr. Lang: Do I take it that when they do report that those policies will be made public?

Hon. Mr. McDonald: I will have to make a decision on that. Their reports are going to lead to policy development itself. The policy development will be ongoing. I will review it and let the Member know.

Mr. McLachlan: Is it the intent of the government to proceed with repairs to the Takhini River Bridge prior to June 1 and the truckhaul starting, that is, sometime in the next seven weeks. That is, the one bridge that you had any consideration of strengthening before the road haul of ore?

Hon. Mr. McDonald: My understanding is that we would proceed as soon as possible. I believe I gave the specific information for the coming year to the Member. We were going to try, as I remember, to undertake the construction work as soon as possible. That was a top priority. The money was identified, and I know that the department feels it is top priority. Whether they are able to meet the new deadline, because there was some sense that perhaps the overhaul would be undertaken later, is something that I am not entirely sure of. It would depend on a number of things, I would imagine. It is certainly a top priority with the department.

Mr. McLachlan: Priority, yes. If the bridge is not worked upon and the first load of ore goes over it, will that bridge suffer extensive damage? One hundred and sixty thousand pounds, — 80 tons. Will that bridge take it at the speeds that those trucks go? Or is there a restrictive speed covenant to be put on that road by the Minister if we cannot get the work done?

Hon. Mr. McDonald: Is the Member talking about the Takhini River Bridge?

Mr. McLachlan: Yes.

Hon. Mr. McDonald: As I mentioned to the Member for Porter Creek East, the bridge engineers state that, in the short term, the bridge can survive the heavy truck traffic. They are generally a conservative bunch and they would like to be better safe than sorry. They will undertake the work as a security measure. My understanding is that, in the short term, the bridge will withstand the heavy truck traffic, keeping in mind, of course, that sometimes heavy trucks with special permits do cross that bridge now, and have crossed that bridge before.

Mr. Lang: The Minister was going to give me a breakdown of housing projects that have been outlined in the budget. I had asked a question regarding the Taylor Street house. I wanted to know in which particular budget it had been included. Maybe I have missed it somewhere along the line, but where is it identified in the budget if it is not in here?

Hon. Mr. McDonald: First of all, I believe we would be talking about the actual housing itself under housing construction

and renovation under the capital expenditures because, unfortunately, we are still on O&M for the Department of Lands and Housing.

The relevant Minister, perhaps, might want to tell you where 501 Taylor Street would be purchased.

I can give the Member a breakdown of the housing units to be purchased and what has happened over the past year when we get to housing construction and renovation if he would like.

Mr. Coles: Could the Minister tell us, when the mystery strip is finished being built at Pelly, what is going to happen with the Minto airstrip?

Hon. Mr. McDonald: Mystery strip? Mystery strip! It is a real strip! The emergency airstrip study is going to determine what airports are going to be considered necessary under guidelines that are generally accepted across the continent. If it is determined that Minto will be less used and its previous function is largely met by the new strip at Pelly, then we will probably not maintain it in the wintertime on a regular basis.

There are a number of emergency airstrips around the territory that the government does not maintain. There are a selected few that the government does maintain. We are trying to bring some sense into the system, so to speak, so that we can get clear in our minds what we are and what we are not going to maintain over the long term, and the policy framework for that effort.

Mr. McLachlan: If and when the Faro access road, recently named Mitchell Road, construction is completed, does the Minister plan to expand the length of the strip at Faro when that road is out of the way, seeing as how we have the shortest regularly serviced strip in the territory, or will we have to wait until the 1986-87 Capital Mains to do that?

Hon. Mr. McDonald: I am laughing because the Member from Porter Creek East is laughing. I am sorry, I apologize. The 1986-87 Capital Mains were passed in November.

With respect to the Faro airport, the airport is licenced for activity now. I have not heard any representation with respect to the upgrading or lengthening of the airport for any particular reason, but perhaps the Member could elaborate a little bit.

The airport is part of the Arctic B and C program and at least for the time being, until the program is transferred, we would expect that any lengthening or improvements to the airstrip would have to be approved by MOT because we expect it would be totally cost-recoverable.

Mr. Lang: I know at times it is fun being a Minister.

Could the Minister elaborate, while we are on the supplementaries, if there is any money for staff housing and, if so, where, and if there has been any major change in policy as far as provision of staff housing by the Government of the Yukon Territory?

Hon. Mr. McDonald: No. There are some provisions, but primarily it is a capital item for the coming year. I believe there was one unit in the previous year, that was at least initiated in Pelly Crossing. In the coming Capital Budget there will be another unit in Pelly Crossing. There will be a unit in Old Crow for the highways foreman and two units in Elsa for teacher staffing foundation.

There has been no policy change that I am aware of with respect to the provision of staff housing. We would like to be reasonable and essentially are responding to concerns on a case-by-case basis. In the case of Pelly Crossing there has been a long history of complaints about the housing provided there. In Elsa, the two teachers live in the school yard in a trailer and there will be some effort to either purchase some units from United Keno Hill Mines or build units this summer, depending on the availability of housing in that community. Apart from that, I am not aware of any policy change in that respect.

23 Lands and Housing in the amount of \$117,000 agreed to On Community Services

Hon. Mr. McDonald: Generally what happens every year is that ambulance drivers are under-budgeted. Traditionally, a certain number of ambulance drivers are budgeted for because casuals are usually all that are required. This amount is fairly common. It is an over-expenditure for the increased demands for the use of casual ambulance drivers.

Mr. Lang: There are no monies allocated in this particular budget for consultants to do policy development or anything of this

nature that was not identified when we discussed the Mains last year? If there has been, I would like that identified.

Hon. Mr. McDonald: Somebody who was not already on staff was brought on to do some consulting work. There are times throughout the department when personal service contracts are entered into. Even someone close to the Leader of the Official Opposition would be aware of that fact. There was some information pulled together by a consultant regarding major policy development. The consultant sought out past information on the expenditures in various communities around the territory in preparation for the debate on the capital block funding.

There was the suggestion by all the communities that they had not been treated fairly in the past. No community has said they have been treated to the extent that they wished to be treated. They all have grievances, justified or not, regarding the provision of capital projects to those communities. We were attempting to list what had taken place over the past 10 years, but accounting procedures have not allowed that information to come forward.

It proved to be extremely difficult to search out that information. The report did show that the communities of Carmacks, Teslin and Mayo had received less than one might expect. The information was not conclusive enough on which to base a new system for capital funding to make up for any perceived inequity in the past. That has been transmitted to the AYC, but it is not reliable, to say the least.

²⁶ **Mr. Lang:** I would appreciate a copy of it.

Have there been any reports done on land? If so, to what extent, as far as historical background on land, and the prospects of what the government is now looking forward to? If there has been, would he be prepared to table them in the House?

Hon. Mr. McDonald: The information that was communicated by the AYC was that, to the best extent that we could, the communities of Teslin, Mayo and Carmacks receive lesser amounts than others. If the information is in a publishable form, I can make the information available to the Member.

With respect to lands, there will be no work in Community Services on land. As I mentioned last night, in the line item we just passed, some work was done on the reorganization of the Lands Branch. A contract was let for the reorganization of that branch. There has been no policy work done out of house with respect to the development of the new lands policies, per se.

Mr. Lang: I just want to put the Minister on notice that I do not intend to pursue it here, as far as communities are concerned, but I have raised the question of the *Municipal Finance Act*, the question of transfer of dollars to the communities, and the inequities that this side perceives in the present format. It will be my intent in the O&M Mains to have a fairly in-depth discussion of what the intent of the government is, not in 1986-87, recognizing that they have decided to do nothing, but for 1987-88. I am very concerned that it is even going to go further out of whack, as far as the distribution of dollars to communities is concerned, unless legislative action is taken.

As the Minister knows, I have given the commitment that if we concur with the action taken, we would give very speedy passage to any piece of legislation that was tabled. It is of major concern to the property taxpayers of the territory. I think the Minister would share that view with me.

With respect to Community Services, is there anything that he knows of, with respect to these supplementaries, further to what he has given us, that we should be aware of, such as any substantial amount of money reallocated within the department that we had a clear understanding had been allocated for a purpose, and has been moved over somewhere else. If so, I would like to have an understanding as to what amount of money we are talking about.

Hon. Mr. McDonald: I am not aware of any major reallocation of funding within this particular branch of the department. With respect to the municipal finance issues, I would be happy to discuss that any time with the Member. That is an interesting issue to deal with, and one that is close to my heart.

I am not familiar with any major reallocation of funds within this department. Much of what is going to be done has been announced in the O&M Mains, and is planned for the future. I would be more than happy to reannounce those initiatives and to discuss them with

the Member.

²⁷ *Community Services in the amount of \$47,000 agreed to On Municipal Engineering*

Hon. Mr. McDonald: There was an under-expenditure and an over-expenditure which netted out to \$25,000. The under-expenditure was due to a long-term disability of an employee in the department. I believe he is the utility systems advisor. There were also reduced costs for the Old Crow water and sewer system. Primarily, it was the under-expenditure due to the long-term disability of the particular employee.

The under-expenditure was \$44,000 and the over-expenditure was \$19,000 and it nets out to \$25,000.

The over-expenditure is due to some consulting work on the development of radio transmission policy and some unexpected vehicle repairs. The Member may be aware that we had tried to rationalize our radio transmission capability within the territory. That is one aspect of it. I do not have the breakdown for unexpected vehicle repairs. It is a fairly well-run branch.

Mr. Lang: I have a question on the consultants referred to in the radio transmission policy. We have a lot of policies here. Has it been completed? Are you going to table it here in the House, and who are these consultants?

Hon. Mr. McDonald: The issue has to do with the — I am going on memory now — radio transmission around the territory and the historical use of NorthwestTel transmitters. There is now a regulatory problem with respect to the continued use of those transmitters and we are trying to resolve the problem with respect to radio transmission as a result. We are trying to maintain the existing level of service and improve it, if at all possible, at Stewart Crossing, for example. We would like to provide a better level of service around the territory if we can by allowing the use of radio transmission towers for other signals.

In Stewart Crossing there is a capital initiative, which may be enhanced in the future, that will hopefully see radio transmission in that community. They currently are the only community I am aware of that does not have CBC radio. There may be a highway camp in the Member for Kluane's area that does not have CBC radio, but I can check on that.

The initiative is to provide CBC radio service to Stewart Crossing. There are some problems in that community with respect to the O&M costs associated with the delivery of the signal and we are trying to reduce those costs and improve the system itself to provide a better signal. Currently what happens now is that the transmitter is located on Hungry Mountain, and in order to be serviced in the winter time when it habitually breaks down helicopters have to be provided to do the repair work.

²⁸ It is costed out to about \$400 per resident in Stewart Crossing. That is considered to be prohibitive, certainly by me. The initiative now is to try to bring the signal directly from the satellite into the community itself. That will allow for easy repair. If the equipment is good the signal will be more reliable. The initiative is not to have it transmitted from Mayo any longer but to bring it directly into the community by satellite.

Mr. Lang: Can the Minister provide in the O&M Mains the name of the consultant who was contracted to do this policy. Do I take it that the policy paper has been completed? Can the Minister give me a breakdown of the proposed costs that are going to be incurred for the steps taken outlined by the Minister with regard to Stewart Crossing? What are the financial obligations that will be presented to this House?

Hon. Mr. McDonald: Some of the financial obligations have been submitted to the House in the Capital Budget. The quality of equipment is an issue. There may be a request for supplementary funding. If there is, I will bring it to the House and identify it. I will also bring back the consultant's report to the Member when I can.

Mr. Lang: I would appreciate it if the Minister could provide it when we deal with it in the O&M side of the budget. I realized I am expediting some work here. Could the Minister also include the proposed costs of installation with that? Does the policy have anything to do with VHF or are they NorthwestTel transmitters?

Hon. Mr. McDonald: The highways department operates the

VHF — but that is sketchy information. I would even hesitate to repeat that. I will have to check on it.

Municipal Engineering in the amount of a reduction of \$25,000 agreed to

Operation and Maintenance in the amount of a reduction of \$916,000 agreed to

Mr. Lang: On Planning and Engineering, could the Minister provide in the O&M a complete list of the projects on which engineering is being done to give us an idea of what the proposed plans of the government are out of that \$280,000.

Hon. Mr. McDonald: I can provide that information. I presume that the Member wants it for 1986-87, and not 1985-86.

Mr. Lang: What was done in 1985-86, or for that matter, 1986-87? There is a correlation between the two. It is an area that has always been a concern of the administration, the ability to get work done and put on the shelves, so that down the road if you want to move in a particular area, it is there. I often wonder whether or not we allocate enough money in this particular area, with the foresight of looking ahead.

If the Minister can provide that information, I would appreciate it.

On Facilities and Equipment

Hon. Mr. McDonald: As I mentioned at the beginning, the reduction is actually because this was a projection prior to the \$1.6 million reduction for Faro housing. The reduction is actually not \$23,000 in this particular item, but is \$323,000. There is also a reduction in highway construction and the Local Employment Opportunities Program.

With respect, firstly, to the \$23,000, the installation of generators at the Klondike camp cost less than anticipated. That is the reason for the savings. The \$300,000 referred to was the work at the Blanchard River camp, which we had overly optimistically thought could be undertaken, was not undertaken. This \$300,000 of the \$500,000 has lapsed, or we expect as of period 9 to have elapsed, largely because the work ran into the winter months, and will have to be revoked if we are going to continue with the project. The \$323,000 is for those two items.

Mr. Lang: Did I hear the Member correctly? He said that if he decides to continue with the project at Blanchard River. What is the total amount going to be for that particular facility? What are their intentions in the forthcoming year?

Hon. Mr. McDonald: I have to learn to watch my tongue in these matters. It was a turn of phrase. We do intend to proceed with the work at the Blanchard River camp. Three hundred thousand of the \$500,000 that was allocated for that particular camp could not be spent. The \$500,000 was the amount that was budgeted in the first supplementary. That money cannot be spent this year.

I remember delivering the overall total project costs to the House in November, or last fall. I indicated to the Members what that would be. I suppose either one of us could research that information, but I remember going through that in some detail in the last session. Of the amount that was budgeted for the 1985-86 year, only \$200,000 of the \$500,000 could be spent, and \$300,000 will not be spent.

Mr. Brewster: Could I get a little bit of clearance on this. I am getting a little bit confused here. Are there going to be any contracts issued this year to complete that job?

Hon. Mr. McDonald: I cannot say whether the job will be completed this year. I believe what we allocated was the first of a number of years, I think. I cannot say that we would try to finish all the work this year. I would have to check for the Member. Work will continue this year with the approval of the House. If the money is revoked, the work will continue.

Mr. Lang: Has not the contract been let for that? Has not a contractor actually gone into a contract with the government to upgrade and add to that particular site for the purposes of a maintenance camp? My understanding is that it had been let.

Hon. Mr. McDonald: Certainly, \$200,000 worth of work has been undertaken. Perhaps the contract has been let. This matter refers to the amount of money expended in this particular year. As a matter of fact, of the \$500,000 as of February 12, which is a later version of the supplementaries, only \$109,000 had been actually

spent. As much as \$200,000 will be spent by year end. I do not know the details of that contract. I do not have it here. If it matters a lot to any Member I will undertake to find it.

Mr. Brewster: What is the year they plan on moving people from Mule Camp down to this new camp? Maybe we can go through it this way.

Hon. Mr. McDonald: I believe our construction schedule, as announced here, was put behind a bit. We thought we could do more work this year than we actually could. If that delays the transfer of the camp from Mule Creek to Blanchard River then I will let the Member know. Presumably there will at least have to be basic facilities at the Blanchard River Camp, especially the living quarters, which would have to be done. I believe there is a shell of a new shed for heavy equipment there already. There would at least have to be core facilities before the move could take place. I can check on that kind of detail for the Member.

Mr. Brewster: I wish you would because my information indicates that there was a contract let out this summer and they would be pretty well finished that job.

Hon. Mr. McDonald: We will sort this one out.

Mr. Lang: I just want to make an observation and give notice to the Minister that the information he provided us for the cost of the Skagway-Carcross Road opening is less than detailed. I appreciate the work that has been done in comparison to Stewart and various other options. What I would like to have him do is prepare a breakdown of the actual costs that are going to be incurred on the American side for purchase of equipment, for projected costs as far as the O&M side in the winter months are concerned, because I assume we are not liable for the summer. That kind of detail is what I want for consideration for the House when we get to the O&M Mains as opposed to here. That breakdown is pretty specific in the agreement of what the government is responsible for and perhaps it could be done in that context, and in Canadian funds, so we know what we are dealing with.

Mr. Firth: Could I just get back to the other project that the Minister was discussing with the Member for Kluane. I would like to know if it is the government's intention to continue that project. Is the government going to be coming back and wanting a revote of the unexpended portions of the funds to complete the project?

Hon. Mr. McDonald: Yes and yes.

Mr. Lang: Do I take it that there is going to be more money requested for that particular project out of the surplus, or working capital? Is that correct, as opposed to what has been allocated vis-a-vis the 1985-86 Capital Mains?

Hon. Mr. McDonald: There may be revotes in the standard way that there are revotes, when work projects lapse from year to year or go over the deadline at the end of the fiscal year. That will be true of LEOP, that would be true of the Blanchard River camp, and everywhere else that there is a revote necessary to complete a project. Traditionally, that is the case. We are no different here. I do not think I have given any indication that we are not going to go ahead with this particular project. I think I have said that. I will say it again: we are going ahead with this project.

Facilities and Equipment in the amount of a reduction of \$23,000 agreed to

On Community Roads and Streets

Hon. Mr. McDonald: These are all reductions. They add up to \$344,000. They include: Mountainview Drive, a second application of BST in 1985, \$110,000; application of chipseal to the access road to the Carmacks Indian Village, which was deferred; the Dawson City Drainage Grant was not fully extended, \$67,000; Carcross street extension project, \$22,000; hydroseeding for community beautification program, \$44,000; and there were some cost savings on a whole string of projects, 20 in number, for which I do not have a breakdown. The major item is gravel crushing in some communities for a total of \$13,000. That adds up to \$344,000, I hope.

Mr. Lang: We started discussing a project that I am sure is just as dear to the Minister's heart as it is to mine, and that is Mountainview Drive. Why was the application of chipseal of \$110,000 deferred? As you know, that particular artery into Whitehorse is having a lot of problems because of the chipseal that

is there at the present time. I think it is unfortunate that we did not proceed with the other application, just to see how it would withstand the traffic that is on it. Can you explain to me why that was deferred? Did the City of Whitehorse ask not to have it done? Why was the decision taken?

³² **Hon. Mrs. McDonald:** When the road is paved, it will be turned over to the City of Whitehorse. They will accept responsibility for it. The highway engineers felt that if it was going to be paved, there was no point in laying down an extra coat of chipseal. Some costing has been done, and I bet the Member is going to want me to table it. I do not have copies of it, but I will table what I have with respect to the costing of that particular project. That was basically the reason.

Mr. Lang: My concern is that there are more requests for pavement, which was part of the agreement, but that chipsealing was going to be tried to see how it would stand up to the traffic, to see what kind of a return it would have. What is the cost of paving that road from downtown Whitehorse to Porter Creek? I imagine it is substantial. Is the Minister going to be asking us to appropriate the money during this session?

Hon. Mr. McDonald: The decision to pave would not be made until 1987-88. The cost of paving, including paving repairs over 20 years, is projected to be \$1,373 million. The cost of paving would be \$1,292,000. The cost of repairs would be \$81,000. The cost of laying chipseal every three years over 20 years would be \$687,000. The cost of replacing chipseal every two years plus the O&M for 20 years would be \$882,000. There is approximately \$500,000 difference in the initial and long term costs associated with the pavement and chipseal placement.

The political decision that has to be made for 1987-88 is whether the nuisance factor with chipseal would warrant a capital expenditure that is much larger than providing the overlay of chipseal on a regular basis.

³³ We are talking in the neighbourhood of a \$500,000 difference. The decision would have to be made with one other item in mind, and that is whether or not the territorial government wishes the City of Whitehorse to accept responsibility for the road on a long-term basis, or whether they would feel the interests of the taxpayer would be better served by absorbing a smaller capital cost and simply maintain the ownership and responsibility for that on the long term basis. Those decisions would have to be made. They will be made by 1987-88.

Mr. Lang: I did not get any significant hint of approval from the Minister regarding this project. I want to impress upon the Minister here and now, and I will put the Minister on notice, that this is going to be an area that I will be pursuing very diligently in the next Capital Budget. I can say from this side that we feel something has to be done.

I recognize there are certain responsibilities vested with the City of Whitehorse. I would see that certain negotiations have to take place. I do not have access to all the figures that you have there, but my major concern here is just with a couple of sections on the actual road that we are dealing with at the present time. The particular road that we are talking about has taken a lot of pressure off the Alaska Highway, and indirectly allowed us not to have to apply for funds to widen the Alaska Highway from Porter Creek to the Two-Mile Hill.

I hope the Minister has the message here that there are a number of Members in this House who are very concerned about that particular project, and also the long term decisions that are going to have to be made. There is no question that we are more than prepared to make the positive decisions that have to be made on it.

Hon. Mr. McDonald: The Member does not have to sue for paternity to get this Member to understand who is responsible for Mountainview Drive. I feel the weight of responsibility with respect to the very significant capital expenditure that may be borne one way or another in the long-term, whether it is chipseal or pavement. The lowest cost alternative that we have here is \$687,000. That is a lot of money. Hard decisions have to be made. They will be made in the Capital Budget for the following year. There will have to be a balancing off around the territory in terms of needs. I understand the traffic flow on Mountainview Drive and the benefits associated

with alternate access to Porter Creek. That will all be taken into account. The Member for Porter Creek West does not have to repeat the argumentation with respect to the need for that particular alternate access.

We will make those hard funding decisions — we are dealing with big money here — in plenty of time for 1987-88.

³⁴ **Mr. Phelps:** The Minister mentioned they did not go ahead with the Carcross Street extension and I am wondering if that was the Bennett Avenue extension.

Hon. Mr. McDonald: I am not sure specifically whether it was that extension. My understanding was that there was some suggestion that under current policy there would be some frontage charge of that to community residents and they decided it was too costly for them at this time. If the Member wishes I will pursue the matter to determine the details associated with it. If he wants to discuss it with me I am more than happy to do so.

Mr. Phelps: I think I know the extension. It is the extension of Bennett Avenue that did not go ahead, and if that is the answer then it is fine. I do not need any more details than that.

Mr. Lang: The question of hydro-seeding and the beautification program that was started this past year. Perhaps he could update the House just exactly where it was put into effect, just how much was spent and what the plans for this forthcoming year are?

Hon. Mr. McDonald: In order to proceed this coming year, it was felt that an extra year was necessary to assess the value of the hydro-seeding project. Certain communities wanted to see how effective it would be. It is budgeted to go ahead this year if communities want to use the hydro-seeder for beautification and it will be there. Money is budgeted for it.

Mr. Lang: Who do they apply to? Do they apply to their local government advisor or do they go to the Minister's office? How does one go about applying for this particular program, whether it be the City of Whitehorse or the Town of Watson Lake?

Hon. Mr. McDonald: The program is known to communities. There are avenues for communicating the desire to participate. The fact it was delayed was probably the result of their representation. If the Member knows of a community that is not aware of it we will certainly make representation. I would be surprised if he did know of one.

Community Roads and Streets in the amount of a reduction of \$344,000 agreed to

Chairman: Is it the wish of the Members at this time to take a break, or to proceed?

Recess

³⁵ **Chairman:** I will call Committee back to order.

Are there any comments on the next two line items?

Mr. Phelps: I did not want to see the railway bridge at Carcross go by without some comment. I hope that the department will study, in consultation with the Department of Tourism, the issue of the Carcross railway bridge and footbridge. Those bridges effectively block off navigable waters for houseboats and small cabin cruisers.

For a very small cost, those bridges could be fixed so that boats could get through with lifts inexpensively. I am putting the Minister on notice that I hope that his officials will have some consultations with the Department of Tourism. It has been raised several times in meetings with regard to the study of tourism in the southern lakes and the Carcross area.

Hon. Mr. McDonald: The issue of making the bridge a suspension bridge has been brought to my attention by a resident of Carcross. We had undertaken to look at it even though it is not our bridge. It belongs to Whitepass. The costs were considered to be very high. We would have to determine the use of the waterway and whether or not there is significant tourism potential to warrant that kind of expenditure on a privately owned bridge.

The Member directed the work, I believe, under this expenditure during the last election campaign, or very close to it, without vote authority, by the way, but we have it now.

³⁶ That work has been done in agreement with the White Pass people who actually own the bridge.

Presumably they would want, with respect to suspension, to protect their interests, and would want compensation in some manner for the use of the bridge for that purpose. We will undertake to look at it once again, given the Member's representation and given the representation by people in Carcross who have spoken directly with me on that matter. We will determine more coherently what the costs would be associated with that. If there is someone in the tourism department, or some person familiar with local traffic on the river who could provide the department with some reasonably accurate information as to the use of the river, that would help in making any determination for funding.

Mr. Phelps: I may correspond with the Member on this issue later. Just to put it into perspective, it would cost very little to lift the section under which some large boats make it now. It is a matter of having a method of lifting a very small section of the railway bridge and the same for the footbridge, which is slightly upstream of the railway bridge. It is not a matter of a huge expense to turn the bridge or to make it navigable to huge boats. We are talking about boats anywhere up to 26 feet in length with a six or seven foot beam. The actual expense involved in making alterations to that portion of the bridge that most boats go under now, as well as possibly opening the footbridge with a winch, a very narrow section of each, is not prohibitively expensive. This would make Carcross an attractive stopover for all the reasonably sized boats on the Tagish Lake and Marsh Lake chain. They would go to Carcross, stop over and do their business, and then perhaps carry on to Bennett.

It is a step that, if taken, would engender a lot of marine traffic that now does not go to Carcross because it is a dead end. The actual construction or alterations to the bridges would do nothing to impair the viability of the railway bridge for its present use.

With regard to the footbridge, again, it is just a matter of lifting, by means of a winch, the one section that boats go through.

Mr. Coles: I did not quite hear what the Minister said, something about no authority last spring. Would he just elaborate on that a little bit?

Hon. Mr. McDonald: When the expenditure was directed in May, there was no vote authority for this particular item. In Capital Supplementary No. 1, authority was given for the item, it was approved in October or November 1985. That is simply what I was saying.

On Recreation

Mr. Lang: I would like to hear from Mr. McDonald.

Hon. Mr. McDonald: The Member asked questions about the Whitehorse Ski Chalet and I gave the Member an indication of what the cost breakdown was and refreshed the Member's memory. The total YTG contribution was \$2,325,000, which included the debt payout. The original capital budget showed a proposed expenditure of \$1.4 million in the 1985-86 budget. What we have here is a final expenditure of \$380,000, which also includes the internal transfer of funds largely from the Haines Junction Arena that was delayed. I believe the contributions since the new government came into office is in the neighbourhood of \$900,000, including the \$380,000, which is a portion of the \$553,000.

The \$173,000 item was for the Watson Lake Swimming Pool, which had construction costs higher than anticipated. The bids were all higher than anticipated and the overage was cost-shared with the Town of Watson Lake. Our share was \$173,000 over and above what was budgeted.

Mr. Lang: I believe that the \$2.3 million was as a result of renovations, the addition of the new curling facility and that type of thing. Am I to take it that, other than the fact there was vote authority for \$1.4 million, the government did meet its obligations of the \$2.3 million, which I believe was contained in the document signed between the two levels of government? That was the maximum contribution by the YTG, is that not correct?

Hon. Mr. McDonald: When the design came through and we were assessing the project last summer, as normally occurs when users get involved in the design of a project, the costs escalated and the quality of the project escalated. There were some cost-cutting measures taken to bring it, as far as possible, within reason. Once that was done we had to come to some determination whether or not

we would undertake to complete the project and, clearly, we, like the previous government, wanted the project to go ahead. We thought it was worthwhile and supported the original decision to move to the Ski Chalet. Essentially, yes, we wanted to ensure there were sufficient funds to meet the previous obligation. It required \$900,000 and we undertook to pay it.

Mr. Lang: The impression was that it came as a surprise to the side opposite. There was an agreement up to a maximum of \$2.3 million when our negotiations with the city had concluded as to what obligations the Government of Yukon would assume pending the actual tendering and procedures that the Minister got involved in when he assumed office. I wanted that clarified for the record. We all support the project and it is going to be very good for the territory.

What was the final cost of the swimming pool in Watson Lake in view of the fact that you are asking us to vote \$183,000? Are we in the area of \$400,00? What amount was finally taken into account? Is the Town of Watson Lake going to be able to meet the O&M costs of that installation?

Hon. Mr. McDonald: I was not worried at the time about a signed agreement between the Government of Yukon and the City of Whitehorse with respect to the proposed expenditure. When I say I was surprised, as a new Minister, at the necessity of spending an extra \$900,000, it is not something I had counted on. I was much more interested at that time in planning the next year's capital budget. I was not ready for the overages in practically every project that came forward last summer. There were some hard decisions to make. We were lucky that we did not upset anyone unduly.

Our contribution to the Watson Lake over-expenditure was \$363,000, as of February 12. The project was initially cost-shared on a 75/25 percent basis and the over-expenditure was cost shared on a 90/10 percent basis. I would assume that the Town of Watson Lake was canvassed by somebody by the government as to whether or not they could support the O&M costs for the facility. I presume that the answer came back as positive. It was a concern to everyone as to whether or not the O&M costs could be borne by the community.

We had faith in the project last summer and we have determined that in the overall budget that we could handle it with some redirection, and it turns out that we could fulfil that commitment as well.

Mr. Phelps: I would just like to put on the record a comment the Minister made about the railway bridge at Carcross and the absence of the vote authority, and the suggestion that it was an election move — what really happened was that the Highways Department was repairing the highway bridge. When that was going on, they were not certain as to whether they should close that bridge and direct traffic across the railway bridge. Materials were purchased and steps were taken to initiate planking the bridge for vehicle traffic. Whoever was in charge changed their minds, as I understand it. The people in town, at the time, wanted to see the materials utilized to repair a very dangerous bridge for foot traffic. Those instructions were to utilize the materials that were really part of the vote for the repairs to the surface of the Klondike Highway bridge.

That is how the whole decision came about and why it was done. It was done to a much higher standard than contemplated by the people who wanted to see the repairs done. They were very pleased with the outcome.

Hon. Mr. McDonald: This is a fascinating reversal. I would love to pursue this. I am going to resist doing that. The work has been done; the vote has been added. It is water under the bridge.

Mr. Lang: My question is regarding the overall policy in reviewing what is really necessary to install a swimming pool in these communities. Is the Minister reviewing the standards required by the government to put pools into these communities. I share the concern, because it was an area that we really had a lot of problems with: the amount of money that we are talking about; the cost of O&M and these various other factors. It just seemed to be escalating. In Pelly Crossing, it was the insulation. Now Watson Lake is another. I do not know where you get the expertise, but maybe there is some other method of putting in a swimming pool,

and yet contain those costs. We are talking \$300,000 to \$500,000, depending on what we are putting in. It is just an observation; maybe the Minister will have a look at it over the course of the year.

Hon. Mr. McDonald: The Member is quite right. It appears that the costs associated with a facility of this sort seem to be skyrocketing year after year. What you could do last year, you can only do 50 percent of the next year. There seems to be no control over that. Attempts were made, in the case of the Watson Lake pool, to reduce the tender specs to reduce the quality that was expected of a particular pool, but maintain at least a basic standard. Even still, with the work that went on within the department with the town, we were faced with a fairly significant over-expenditure. The Member is quite right. There is definitely a problem associated with that.

I understand that generally people buy pool kits and then wrap a pool cover around them. Quite often, the insulation of the pool is a lingering problem, such as it is in Pelly Crossing. The pool at Pelly Crossing caused problems almost from the beginning. That is something that is partly the result of the installation, maybe the result of the quality of the pool. Those things have to be resolved.

Mrs. Firth: Could the Minister tell us if there has been any change to the recreation committee, the YRAC committee or the Lotteries Commission?

Hon. Mr. McDonald: Do you mean change in the way the appointments are made? Some new appointments have been made. The function and responsibilities of the committee have not been changed. The regulations pursuant to those two acts are going before Cabinet very soon, to regularize essentially what has been practiced all along. Essentially there has been no directed change to those committees.

Mrs. Firth: I thank the Minister for his answer. I understand the YRAC still has the same legislative authority it had before. For our information could he bring us an update of the new members of the recreation committee? I have received from the Minister an update of other boards and committees within another department, but I would like this one as well. He could bring it back during the O&M budget if he wishes.

Hon. Mr. McDonald: I could. I believe there are six terms which are expiring in the near future which, I believe, is half the committee. I do not know specifically when the change will be required. It may be during this session, given the way the session is going, in a couple or three months time. I will bring those changes. If they are not already published in the Gazette, certainly I will bring that information for the Member.

Mrs. Firth: Will the Minister be choosing the new members in the same manner that the past government did?

Hon. Mr. McDonald: There is certainly a process by which the members are chosen. There is a procedure by which nominations are sought from a certain list of organizations and there is a balance that is necessary to be struck among communities, sports groups, et cetera, and we intend to achieve that kind of balance, as per usual.

Mrs. Firth: I thank the Minister for his answers. Unlike the unkind comments from the Government Leader because I believe the past government explained that as a purely coincidental outcome, the appointment of the YRAC committee. I think the new Minister may find he has the same coincidences and we accept that reality.

*Recreation in the amount of \$553,000 agreed to
On Public Health and Safety*

Mrs. Firth: Could the Minister give us a breakdown?

Hon. Mr. McDonald: There are a number of items that add up to \$80,000. Haines Junction sewage lagoon had a cost-savings of \$30,000. The Dawson water and sewer repairs to the main and the pumphouse cost less than anticipated for \$20,000. Beaver Creek dump design had a cost-saving of \$10,000. The community decided not to proceed at this time with the dump design. Carmacks plant corrosion protection was held up pending a Water Board ruling. That had a cost-saving of \$10,000. There are various and sundry items that added up to \$10,000.

Mrs. Firth: Does that mean that the Beaver Creek dump design project is not going to go ahead or are we going to be coming back

and revoting funds for that?

Hon. Mr. McDonald: We may come back with a request for \$10,000 for the dump design. I am not certain of the reasons why the community decided not to proceed. If it is of importance to anyone, and I see the Member for Klwane on his haunches ready to spring, I will determine what the reasons were.

Mr. Brewster: This is a real example of bureaucracy. Nobody asked to have the dump moved except two people in the community club. They are going to move it to the other side of Customs. We spent 10 years getting Customs moved out of the community so we would not have a bell ringing every time we went through and forgot to report. Now we find out that the dump, through the bureaucratic system, is going to be moved to the other side of Customs, and we are going to start all over again. Sensible people in Beaver Creek said to leave it alone and forget it.

Hon. Mr. McDonald: I guess that says it all. I guess we are not coming back for the \$10,000.

Mr. Lang: Maybe we could direct that money in the future to Mountainview Drive? That is obviously a priority.

Hon. Mr. McDonald: That would provide approximately one-millionth of the cost of the work. It certainly is a step in that direction.

Public Health and Safety in the amount of a reduction of \$80,000 agreed to

On Land Development/Public Land Acquisition

Hon. Mr. McDonald: There are a number of items here that add up to the \$1,297,000. The largest portion is the Mary Lake Subdivision Phase II. This was deferred because a large number of Phase I lots were still available. The Phase II development will proceed in 1986-87, I would hope. We have some sewage disposal problems in Phase II that we would like to resolve.

⁴² The second item was a reduction of \$250,000, which was the land purchase for senior citizens home site in Whitehorse. The problem is that the site was originally targeted for the construction of the new senior citizens home, which I requested funding for last November. That particular site was also eyed by Public Works and the Canada Post Corporation. Canada Post had apparently indicated some interest indirectly in wanting to use the site.

Another under-expenditure was in the Hillcrest-McIntyre Subdivision, \$470,000, which will now be undertaken in 1986-87. That was waiting pending the relocation of the Kwanlin Dun Indian Band. That particular work would be recoverable under the agreement between the Government of Yukon and the Government of Canada.

There was \$150,000 worth of agricultural development that was not undertaken due to the lack of major block land transfers, which would have hopefully been developed had we had the land. There was a desire to budget in case we should receive large areas of agricultural land, and the soil analysis and site selection were considered worth funding, should we receive it. Unfortunately, we did not receive, to no Member's surprise, major amounts of agricultural land, and \$150,000 was dropped there.

The Cowley Lake rural residential development design could not proceed until the federal land transfer was received. Further to that, the Carcross land reselection process under land claims has apparently delayed transfers of lands in the Carcross area. That was \$60,000.

The Little Salmon cottage lot development was deferred largely because there was considered to be insufficient demand with the decline of Faro. It was considered that there would not be sufficient demand in that particular area for cottage lots. I would presume that, in the future, those lots would be developed now that Faro is back onstream.

⁴³ Sorry, that was \$25,000.

The Dawson Klondike Valley Subregional Plan, \$50,000, was not undertaken. Some preliminary work was done, as I mentioned, but we hope to undertake that this coming year.

The Dawson phase II subdivision was deferred until 1986-87. There are some problems with respect to the buying out of placer claims in the area. We are resolving those placer interests. That was \$12,000.

The Dawson country residential plan was deferred for \$150,000,

until such time as the Dawson Klondike Valley Subregional Plan resolves the land use conflicts in the area. Those conflicts would include such things as agricultural requirements and other residential requirements, and the requirements of the Band.

There are also various projects, incidentals, for \$30,000. That adds up to \$1,297,000.

Mr. Phelps: I would just like to start by asking about one particular subdivision, and that is the one that was done in Carcross, near the school. I am wondering whether or not the government is expecting to obtain title for that block of land, and whether any negotiations have taken place with the Chief of the Carcross-Tagish Indian Band.

Hon. Mr. McDonald: As the Member knows, the subdivision development was undertaken by the Yukon government on federal lands. The problem that we have now is that we have improved the property and do not have title. I do not think that it is any secret to anyone that the Chief of the Carcross Indian Band is not, at this time, interested in having any land of any sort in the district transferred to anybody. Even though we have requested that the subdivision be transferred, and we have tried to seek alternatives, which include a sharing of the subdivision, which was one alternative some time ago that was agreed to under some land claims agreement, all have not washed with the Chief of the Carcross Indian Band to date. That has held up the transfer of the subdivision from the federal government to the Yukon.

We would still like to see the transfer of the subdivision. Perhaps with the process for the transfer of lands based on immediate needs, we could see that transfer. I would presume the primary reason for the delay in transfer has been the concerns expressed by Chief James. That is where it stands.

Mr. Phelps: Is that the same situation with respect to Cowley Lake?

Hon. Mr. McDonald: Essentially, yes.

Mr. Phelps: The obvious concern for all of us in the House is that simply because the Chief or the band is opposed to anything happening with regard to land being made available in that area of Yukon, which is fairly heavily populated, surely this government, nonetheless, has a duty to go ahead and demand that that land be released. Unless there is a good reason, surely that band should not stand in the way of property development and people having their legitimate needs for land met. Has the Minister taken the position that this government is not going to push ahead and demand this land whether or not this veto has been attempted to be exercised by the band?

Hon. Mr. McDonald: The allocation of the veto is not in the mind of the territorial government. We have taken the position that we would like to seek a land transfer. We have offered to share the subdivision, I believe, under an old agreement, with the band. The territorial government has attempted, through a variety of means, through consultation, through force of argument and a variety of means, to get the lands transferred. We believe, in general principles, that the cooperative procedure we have set up can see that land for immediate needs transferred. The request for the land has been made. At no time have we rescinded the request. We have indicated to Chief James on a number of occasions that we would like to see the transfer made because we believe there would be some demand for those lots. The federal transfer has not come forward.

I have discussed the issue of land transfers in general with the Minister of Indian and Northern Affairs on at least two major occasions, one just recently and one in November. We expressed our position to him with respect to land transfers and that position was originally, when I spoke to him in November, that any specific land transfer should not prejudice the land claims process. We spent some time trying to define what that meant and he suggested a consultation should take place with the band.

We took consultation with the band and we were marginally successful in some agricultural land transfers, but certainly we were not successful enough to see a lifting in people's minds of the land freeze.

At the same time, the Indian bands were expressing a desire for land transfers themselves for their own purposes so we had a

meeting of minds, so to speak, and have come up with a solution that, with some cooperation, will see some lands transferred this summer around the territory. The process is to transfer lands based on needs over the next year to two years. We are identifying many classes of lands around the territory that we would like to see transferred. They include community boundary expansions, agricultural land transfers, commercial land transfers and rural residential land transfers, and land transfers that would satisfy a homesteading policy when the policy is announced.

« We hope, given that process, that we will satisfy the concerns not only of the Indian bands but the federal government. We would actually see some significant progress beyond what we have achieved already. That is where it stands. The subdivision is not qualitatively different from that. It is only one example of a land transfer request that has been made and will be made under the new procedure.

Mr. Phelps: I do not see how the government can take that approach. How can the government say that the Yukon will be held up for the foreseeable future, and the only situation under which land will be made available is a serious and immediate land transfer for obvious needs. I just do not understand how the government can accept for a minute that the federal government should not transfer land in meaningful quantities to it so that the Yukon Government can get on with its business.

We have a huge land freeze in effect by order of council presently for land selected by Yukon people. I do not understand how you, as a government, can sit back and wait for a Chief and a band council to give its blessing and not exercise its veto each time they need a little piece of property. To me that is wrong and I am not going to let this one go. I hope you understand that.

Hon. Mr. McDonald: I do not see how the Member for Hootalinqua can suggest that this government has been sitting back and doing nothing. That is inconceivable to me. The Member talks about meaningful transfers of land. This process, we hope, will provide meaningful transfers of land, real land transferred to real people to engage in real activities and real rural residential land.

Who got the process going? It was this government that spearheaded the process of having land transferred on the basis of immediate need. I explained the process in a Ministerial Statement that the Member has not responded to. There is a process that sees land transferred to bands and to the Yukon government and will see land transferred to real people on the basis of immediate need.

In the past the Yukon government has ranted and raved and gotten absolutely nowhere. That is the experience factor. I have the land transfers in front of me. I know exactly what has happened in the past. When it comes to the transfer of virgin Crown agricultural land, not alienated before by a lease, that was identified under the agricultural land program, this government has seen greater progress than the previous government. The previous government made application for five lots under that program and they saw four of them rejected. We made five applications for five lots under that program and we saw four accepted. Under that program, our success rate has been better.

« With respect to the transfer of lands, we recognize that the land has to come from the federal government. We could take the approach of the previous government and get nowhere. We have had a number of years here where the land freeze was in place, and where limited land was transferred to the Yukon. We are taking that as a fact. We are saying, rather than rant and rave, let us try the cooperative approach.

Under severe pressure from the Member for Hootalinqua and the Conservative opposition, who want us to abandon that approach and rant and rave and find some kicking post in Yukon to attack, we are saying we are going to brave that, we are going to resist that kind of criticism, that kind of negativism, and try for a cooperative approach.

If, by September, our success rate is no better than in previous years, then we have at least tried the cooperative approach and made a serious attempt at it. We are going to try it. This government is going to brave the severest of criticism and negative vibes that that side can possibly throw at us. We are going to try the cooperative approach. We have discussed at length with the federal

Minister of Indian and Northern Affairs, who happens to be a Progressive Conservative as well. He suggests that this route is the best route to go.

We think this route is a good route to go. We hope that there will be meaningful results coming from it. We are going to resist the artificial debates that primarily the Conservative opposition would want us to engage in. It has not worked in the past. It may be therapeutic, but it has not worked.

Mr. Phelps: The Minister knows full well that there have been substantial amounts of land transferred since the Conservatives got into office in Ottawa. There is in the neighbourhood of a couple of hundred square miles that were transferred. All of Herschel Island, all of the outstanding leases, all campground areas, heritage areas, and a lot more to come. What has happened, is things have come to a dead stop because nothing goes forward unless there is a Band Council Resolution supporting it. We have some beneficiaries and we have some land. That is what you are saying. Five parcels, four people.

It is worse than a joke. There is a situation where almost 300 people are sitting by waiting to get some land for agriculture, for example, and they cannot get any satisfaction from this government. Ask the Minister of Renewable Resources. The department has not even been examining the ground, doing a soil test, anything. These applications are being lost, being ignored. People are wanting to know what to do with their lives, how to get on with their lives. People who are out there who have been farming on Crown land have a huge investment, and cannot get anywhere with this government.

The need is here. The need is now. We would expect some progress to be made. We would expect that this government would get off its backside and do something about it, and that they would have some sympathy for people who have a legitimate need for land, who are getting no answers, and who do not know what to do with their lives.

What I am saying, and what we are saying, is that this is not good enough, and that that veto cannot be allowed to exist. If there is a veto in the Carcross area, that is extremely unfortunate indeed. There are a lot of people who have a legitimate need, and a right, to land in that valley between here and Carcross. There are all kinds of people who have been asking for the land. It is land that does not conflict with the land claims selections, which have been frozen under Order-in-Council for several years now.

⁴⁷ And we would expect this government to move out and say, "Look, if there is a not a good reason for land not to be transferred, because of a legitimate concern, then it ought to come open to this government."

Hon. Mr. Porter: Just a point of clarification: with respect to limiting the debate to agricultural lands, my information on agricultural land clearly supports the statements made by the Minister of Community and Transportation Services. Under the Agricultural Land Program, there had, under the previous government, been application requests and it took three years from the call of application and the first requests for land transfers, which were in April of 1985. At that point, four of the five requests were not granted to the previous government. The Minister has indicated that in the case of the five requests we have made since we have been the government, four have been put forward.

As to the charge that the Department of Renewable Resources has been doing nothing about the current applications on file, I have two notes here. As of December 12, 1985 there were 188 outstanding agricultural applications, and there were 24 other applications that had been approved or the dispositions made while 74 applications had been rejected. Of the 188 outstanding applications 91 had been checked for soil suitability, and 27 had been reviewed for agricultural viability. In addition, 39 had been given preliminary checks for major land-use conflicts.

Further to that, as of March 19, 1986, a total of 10 requests for spot land transfers, four agricultural lands have been made to Federal Land Acquisition Committee. To date, three of these cases have proceeded to Order-In-Council, and are now Commissioner's lands. Two cases are still being processed for Order-In-Council, and the five remaining cases require further band consultation and,

in addition, one request for a spot land transfer for a grazing lease was made to FEDLAC and that will be processed for Order-In-Council.

Now those are the most up-to-date figures supplied by the department.

Mr. Lang: Has the Minister of Community and Transportation, through his office, made a formal application under his signature, or any other Member of the front bench, to have the formal transfer of the Chootla Lot Subdivision or the Cowley Lake Subdivision that has been proposed to the Government of the Yukon Territory? Have you requested, formally, at the political level, that that particular subdivision be transferred?

Hon. Mr. McDonald: We gave political indication to the Minister that the applications that had been made previous to our coming onstream were still in effect. The Chootla Subdivision application was made some considerable time ago. I do not know specifically what the date was but I can check.

⁴⁸ I believe it was made in early 1984. That particular one stands.

The Member for Hootalinqua asked a rhetorical question as to whether we had sympathy for people who made application for land under the agriculture program. Clearly, we have. The success rate has not been as good as we have wanted, but it has been better than in the past. An interesting fact to remember is that the government waited a couple of years, at least, before making the first application for a land transfer under the agricultural land program that devolved to the Yukon.

We are talking about land transfers, of course. The previous government had made application for five, and had four rejected under that agricultural land program. That is indisputable. It is a fact of life that some people are simply going to have to recognize. Under the same program, this government made application for five lots, and had four transferred. That is a fact of life, too.

If there is a veto in anybody's mind, it is not in the mind of the territorial government, it is in the mind of the federal Minister. It certainly seems to be in the mind of the Member for Hootalinqua. The federal Minister has spoken of consultation. We have spoken of consultation. We have consulted and when completing consultation, we have made application for lands. Some have been transferred and some have not.

I am going to brave all the negativism that will be coming from the opposite side, because I do not think that they want to see this government show success in this matter. I do not think they want to see this government take any kind of credit for the transfer of lands. In order for the system to work, we are going to have to stick to our guns. We are going to have to travel the straight and narrow on this, and brave the onslaught.

The Member for Hootalinqua may stand up and say that the ultimate loyalty test for the average Yukoner has got to be that the Yukon government has to come down hard on the federal government for not transferring lands. That is the ultimate loyalty test. If you do not criticize the federal government, if you choose to take the cooperative approach, then you are not being loyal to all the agricultural land applicants in the territory.

What hooley. That is absolute nonsense. This government is going to take the cooperative approach. It is going to consult. It is going to engage in this process, which we hope will see land transferred to all Yukoners, to the native bands for band purposes, to everyone who needs it for real purposes. We are not going to engage in the debate which has been engaged in in the past by such luminaries as the Member for Porter Creek East, which involves the transfer of all mountaintops in the territory, that, for some reason we do not feel fulfilled unless the Yukon government has control of every last mountaintop.

⁴⁹ The problem with that debate is that it hits a brick wall when it hits the land owner, the federal government. We can rant and rave and engage in an artificial debate as to whether or not all land should be transferred at once or if we should be a province at once.

The fundamental problem with that approach is that it does not work. The Member for Hootalinqua says that we have all of Herschel Island. For whom? Does that satisfy one farmer in this territory? Is there one person living up there? We can feel very comfortable that the land has been transferred.

Mr. Phelps: Your party was prepared to give away the whole North Slope.

Chairman: Order please.

Hon. Mr. Penikett: Crap.

Hon. Mr. McDonald: We have an interest in resolving real-life problems for real-life Yukon people. We can engage in debate. We can determine whether or not some mountaintop in the Bonnet Plume is going to be transferred to the Yukon or we can concentrate our efforts on an agricultural land application that perhaps somebody has been seeking to achieve for many years. That is where we would like to focus our efforts.

When we engage in the overall discussion, we hit a brick wall. The previous government hit a brick wall with the Liberal government. We would hit a brick wall with the present Conservative government. We have discussed that in length with the Minister of Indian and Northern Affairs.

The Member for Riverdale South is shaking her head. The suggestion that we could ask for all the land in the territory is ludicrous and we know that. We do not even want to engage in that debate.

If we engage in a debate, it is divisive and creates bad relations either with the federal government, with Indian bands or with our own people, and we do not get anywhere. That is the course of the past. That is the course that has not worked.

The Member for Hootalinqua says not to do anything. We have done something. We have made application for land. We have taken an interest in many of the items including the items of interest to the Member for Hootalinqua's constituency, the Alaska Highway West lot enlargements, the Chootla subdivision, and others. Many of the agricultural land applications are in the Member's constituency.

Those are our primary concerns. We can engage in artificial debates but that is not going to allow one farmer to till one field in the territory. We have been given clear political indication by the federal government that if we do we will get exactly what the previous government got. We will get nowhere in real, meaningful terms, so we are going to concentrate specifically on land applications that count. We are going to engage in a new agreement with the people signatory to the land claims agreement, including the federal government and Indian bands, to see land transferred to Indian bands and to the entire territory.

⁵⁰ **Hon. Mr. McDonald:** The land transfer refers to the Lands Availability Program. It includes the procedure that would see land transferred through the FEDLAC, but after land use conflicts have been resolved. We are going to go into an area, such as the area around Whitehorse. We are going to be intensive, when we put the resources into determining all land use conflicts in a particular area. We are going to try to resolve those conflicts. We are going to try to see that in that particular area, such as Haines Junction, where the band has indicated an interest in seeking land as well, in Whitehorse, where the majority of agricultural land applications happen to occur, and where the most serious land use conflicts happen to be. We will see the land use conflicts resolved, and see land transferred on that basis. It is a reasonable approach.

I realize that the Members in the Conservative opposition are not in favour of that approach. It just sounds too reasonable, I guess. It sounds too cooperative. It does not include the negativism that they are so used to engaging in. It does not include the necessary fed bashing that the Members are keen on championing. It does not include any of those things. It simply talks about a cooperative approach. We have never once said that we would allocate a veto to anyone.

I am going to be broadminded about this. I am going to allow, if he will just wait for a second, the Member for Hootalinqua to get the last word in. As far as we are concerned, we are going to brave the onslaught; we are going to proceed with the cooperative approach.

Hon. Mr. McDonald: We are going to be happy with it, and we are going to see real results.

I 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

⁵¹ **Speaker:** I will now call the House to order. May the House have a report from the Chairman of Committee of the Whole?

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

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

Some Members: Agreed.

Speaker: I declare the report carried.

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. tomorrow.

The House adjourned at 5:27 p.m.

