



The Yukon Legislative Assembly

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HANSARD

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

Speaker: The Honourable Sam Johnston

Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

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

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kassi	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

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

Liberal

James McLachlan	Faro
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LEGISLATIVE STAFF

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Whitehorse, Yukon
Tuesday, November 25, 1986 — 1:30 p.m.

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

Prayers

INTRODUCTION OF PAGES

Speaker: At this time I have the great pleasure to introduce two of our pages. They are Jason Casey and Brian Hanulik. I would now welcome them on behalf of the Assembly.

DAILY ROUTINE

Speaker: We will now proceed with the Order Paper.
 Introduction of Visitors?
 Are there any Returns or Documents for Tabling?

TABLING DOCUMENTS AND RETURNS

Hon. Mr. Penikett: I have for tabling an answer to a question asked by the Leader of the Official Opposition in May.

Hon. Mr. McDonald: I have for tabling the report on the Local Employment Opportunities Program for the year 1985-86.

Speaker: Reports of Committees?
 Petitions?
 Introduction of Bills?
 Notices of Motion for the Production of Papers?
 Notices of Motion?
 Statements by Ministers?

MINISTERIAL STATEMENTS

Community Residential Centre in Whitehorse

Hon. Mr. Kimmerly: I am pleased to announce today that the Salvation Army has agreed in principle to a contract with this government to provide a community release centre in Whitehorse. The centre will be located at the old mess hall, commonly known as the John Watt Residence, on the west side of the Alaska Highway near the airport.

This residence will provide programs for persons who do not require maximum security but require social and emotional support to encourage the building of independent living skills.

^a The Salvation Army will be offering a broad range of programs that will increase the offenders' opportunity to positively re-enter the community. Programming will include drug and alcohol counselling, employment training, life skill programming and individual and group counselling.

The Salvation Army has a long history in the Yukon, dating from the years of the Klondike Gold Rush. The Army has a positive and impressive record in the delivery of the correctional programs across Canada.

Mr. Phillips: I would also like to commend the government for initiating this program. I have had the opportunity to meet with the Salvation Army in discussing the program proposal they have. We support it very actively, and we are very pleased to see a group such as the Salvation Army, which came to the Yukon a few years ago and has been very active in the community. We are very pleased to support this program.

Service Contracts - Information to the Public

Hon. Mr. Kimmerly: As Minister of Government Services, I am pleased to announce today a new process for providing to the public information about government service contracts and consulting service agreements. Such contracts are frequently used for such items as equipment rental, equipment maintenance, garbage removal, flight services, landscaping, catering, graphic design or special-

ized research.

Historically, this government spends between \$10 million and \$20 million annually on service contracts and consultant agreements. To this date, this government has entered into service contracts and consultant agreements worth nearly \$12 million. Information about the number and conditions of these contracts in terms of the nature, value and the provider of the services will be of interest to both the Yukon business community and the general public.

In an effort to provide this information in a manner which is both helpful to the public and efficient to produce, the government will undertake to publish, on an annual basis, a summary list of all service contracts and consulting service agreements of a value of above \$5,000.

^b This initiative will provide the Yukon public with useful summary information about government contracting patterns. The listing will include pertinent information on each contract including the contractor's name, location, type of contract, date of issue and value. I might mention that the information we are proposing to provide is beyond that made available in other jurisdictions.

This routine practice better serves the objective of public accountability than did the practice briefly employed last year of periodically tabling requested batches of contracts. The batches were not summarized so no general trends were indicated and analysis was difficult.

While we believe that the summary listings we will produce annually will be most informative for the public, we will also respond to requests for details of specific service contracts or consulting service agreements. Such individual requests will be dealt with by the Minister responsible for the department letting the contract in accordance with the provision of the Yukon's *Access to Information Act*.

Mr. Lang: Now I am sure we will hear a dissertation later in the Session today about open government and how the public has a right to know and this government stands for it. I want to start by saying the information provided to us over the last two sessions has been informative, it has provided information to Members to join into debate, to ask questions on how monies are being spent. For example we found out there was \$2.1 million spent last Session for outside consultants, bringing people in telling us how to live and giving direction to the government on what policies they should bring forward. Further to that, there was some information there that was pertinent to the general debate of this House and that is why I have to wonder why the limit of \$5,000; why the change? There happened to be a contract for \$4,900 for one Ms. McPherson to do a cabinet document for the government to take a position with respect to intergovernmental affairs, which we understand has never gotten to Cabinet and was done eight months ago. Now with this policy we will not have access to it.

^a We did not know that somebody outside of the government was given \$1,500 to edit the Speech from the Throne. These are things that will not be provided to Members of this House, in view of the new policy of public accountability brought forward by the government.

I have been informed that there is at least one contract a day that goes out of this government without necessarily being tendered, but being signed by this government. I am also further told by the bureaucracy that it is becoming more and more apparent that the system is becoming politicized. Why the change? Nobody asked for a change. All they asked was for the information to be provided as those contracts were signed, so that we could catalogue them and carry on over the course of the year.

But, no, the side opposite is saying "No, we will paternally feed you the information as food, similar to what we did with the human rights act and all the discussion papers. We will give you our side."

I say to the media, who is watching this, that they had better start asking some questions, along with this side of the House, along with the Liberal Leader. Why the change? Why is it required for me, as a Member of this House, or the media, or a member of the general public, to go to the Access to Information to get the terms of reference for a contract that has not been tendered. Why?

If the side opposite is going to get into political patronage, which can be the only reason for this change in policy, then stand up and say it. Do not go under the auspices of the Access to Information.

They should re-evaluate this policy. I think that the general public has every right to know the terms and conditions of any contract entered into by this government. To think that the general public, the man on the street, a legislator, a member of the media, will be subjected to the Access to Information to get the information from the Minister of Government Services, who has proven, beyond a doubt, that he is a master of propaganda when one takes a look at the so-called propaganda program that has gone on so far with human rights. Now, we are supposed to depend on him to give us the answer, as if he is not going to manipulate or put it in the context that he wants to give us, as if we cannot think for ourselves, that we cannot go through these contracts and say, yes, we think it is a good contract or it is not a good contract.

The Government Leader stood up in this House and talked about open government and public accountability. I believe he has a responsibility to table those documents. I believe it as a legislator; I believe it on behalf of the public. If his government is entering into contracts, and if this side requests those documents, we should have every right to peruse them.

I want to conclude by asking, why the change?

Mr. McLachlan: We find the Ministerial Statement on the information basis to be as interesting for what it leaves out as for what it contains. We find that, on an annual basis, for example, a listing of the services probably is not sufficient enough regardless of whether or not you agree with it. We would like to see it being done monthly or four times a year, or whenever.

In a particular, in the season regarding contractors, a lot of whom come in March, April and May, it is entirely possible that we will not find out about those until the following March, April or May. We fail to see how that, on an annual basis, will establish a pattern as the Minister has indicated.

I also have some concerns about the method of distribution of the information. I would like to suggest to the Minister that the listing, whenever it is developed and in whatever form it is developed, be made available in all the territorial agents' offices. As yet to be answered is how this information gets to communities on the basis where they are bidding in Carmacks or Teslin, where there is no agent. How are they going to get that information?

In conclusion, part of the information is here but very much of it is not, and we have some reservations about the method of doing this.

Hon. Mr. Kimmerly: It is important to point out that for the previous six years of Tory rule, they never gave out that information at all.

Speaker: Order please.

Mrs. Firth: On a point of order, the Member opposite and the side opposite never asked for the contracts.

Speaker: There is a point of order on the floor, and I find that it is not a point of order.

This then brings us to the Question Period.

QUESTION PERIOD

Question re: Human Rights, advertising

Mr. Phelps: We want to ask some questions and try to probe into the interior of this closed government. Last May, the estimated costs of the human rights advertising was going to be approximately, together with person years, \$75,000 for the education program.

The advertising and promotion was done by people in the Department of Justice. Would the Minister of Justice tell us why he has chosen to politicize the bureaucracy by having them trying to sell the NDP policies on human rights before any legislation was passed?

Hon. Mr. Kimmerly: That is a silly question, of course. The information program was developed by civil servants as an informational package. That is exactly what it was and it was extremely well done I may add.

Mr. Phelps: Let us not quibble over who is silly. In my opinion the Minister takes top honours in that category over anyone in the

House, and he knows that.

Would the Minister tell us how many positions and how many people were used in the Department of Justice for these partisan purposes and politicized?

Hon. Mr. Kimmerly: There were absolutely no positions used for partisan purposes.

Mr. Phelps: Then will the Minister tell us how many people were used in developing the ads in the ad campaign and the programs in conjunction with CHON-FM and in producing the material; how many people in his department or in other departments of the government?

Hon. Mr. Kimmerly: None at all. It was contracted out.

Mr. Phelps: I suppose that the Minister, in his cute little way not having answered the last question, is speaking about the contract with CHON-FM. Will the Minister agree that the programs were totally partisan, promoting the NDP position on human rights before the legislation was passed by this government? Will he agree to that?

Hon. Mr. Kimmerly: That is obviously an argument or a statement. Let me explain clearly, as I have explained before, what the instruction was from me to the department. It was to develop an information package, which was non-partisan, to be background information on the general issue of human rights. That is exactly what occurred and it was extremely well done and praised by the commissions around the country in fact.

Mr. Phelps: Baloney, baloney, baloney. How about the ads that were developed by the Department of Justice and aired on all three radio stations. Surely the Minister would agree they were partisan and controversial. Will he not agree to that?

Hon. Mr. Kimmerly: Yes.

Mr. Phelps: Does the Minister of Justice have any idea at all as to why CBC was forced to take the controversial ads off the air?

Hon. Mr. Kimmerly: Yes, because the Leader of the Conservative Party made a fuss. He is obviously completely against public information about human rights.

Question re: Community release centre

Mr. McLachlan: I have a question with respect to the announcement today of the community release centre. It is my understanding that the final arrangements have not yet been concluded with the City of Whitehorse for this facility. Is that correct?

Hon. Mr. Kimmerly: I am unaware of what final arrangements are necessary, unless it is the zoning requirements. That is either completed or substantially completed.

Mr. McLachlan: Certain news releases today indicate that that is not necessarily the case and that the city will be soliciting the opinions of the residents of the area. Has the government entered into any discussions with the City of Whitehorse to speed the project along or, perhaps, to assure the public that we will not get into similar flaps that we have had before over Taylor Street?

Hon. Mr. Kimmerly: No. I am confident that the City of Whitehorse would consider it interference if we were to try. However, I believe through conversations with some of the councillors that this is a very popular program with the city. I am unaware of any objection to any zoning change. Incidentally, it is a downgrading of the zoning, as opposed to a liberation or an upgrading of the zoning.

Mr. McLachlan: I would hope that is the case, as the Minister has indicated, and that there is no controversy over the project. It is certainly a commendable move. Has the city given the government any indication when it will be finished with its deliberations and will be proceeding?

Hon. Mr. Kimmerly: This is not an application of the government. It is an application of the Salvation Army. The specific answer is no, we are not expecting any trouble.

Question re: Human rights, public meetings

Mrs. Firth: I have a question for the Minister of Justice regarding human rights. I would like to know why the Minister is intentionally discriminating against Whitehorse residents by refusing to hold public meetings in Whitehorse?

Hon. Mr. Kimmerly: I have had several public meetings in Whitehorse. I have met with many public groups, and I will list them, perhaps on the debate on the motion, which will undoubtedly occur tomorrow. It is absolutely clear in my mind that anybody who wishes to express an opinion on the subject of human rights to me, or their MLA, can do that easily, or has already done so.

Mrs. Firth: The Minister is being a hypocrite; he really is. I remember when the Minister was in Opposition and he talked about how terrible it was for us to say that the public could come to our door and how intimidating that would be. He is being a hypocrite and turning around and saying exactly the same thing. I want the Minister to come clean, and I want him to tell people it is not true that this is just really a case of urban discrimination?

Hon. Mr. Kimmerly: That is not really a question, but a vile, personal attack on me.

There is no hypocrisy at all. It is clearly in the open, and the policy speaks for itself.

Mrs. Firth: The Minister is being typical to his weakness and his fear of meeting with the public in Whitehorse. I would like the Minister to tell us if it is not true that this is just a typical example of what is in store for Yukoners under the NDP Human Rights Legislation?

Question re: Human rights, background

Mr. Lang: I would like to address a question to the Minister of Justice in respect to the handling of his department and the obvious politicization. With respect to the document called sexual orientation that we never received through the mail, the one that we had to go and get the other day, why was the statement made in it that "a brief synopsis of these positions reveals the church to be unanimously supportive of the commission's advocacy of equal access to employment opportunity, accommodation and public goods and services for homosexuals" when we have a paid advertisement in our print media signed by 10 religious leaders who wished to point out that the statement was an error.

Why was this statement put in this document when obviously the local religious leaders have a major disagreement over this issue?

Hon. Mr. Kimmerly: I am attempting to find out exactly why that document was prepared without my supervision. It was intended as a package of information as background to this very significant and important public issue.

The statement is obviously in error. It is obviously the fact that there is a significant division of opinion. The established majority of churches are in favour of rights for gays and other churches are obviously not.

Mr. Lang: My concern primarily is the misinformation or the one-sided approach taken in the publication. Why does this document, if it is apolitical, only give one side of the question. For example, it has letters supporting sexual orientation to be included in legislation, but there is no position brought forward for those who oppose it. Why is it so slanted if it is an apolitical document?

Hon. Mr. Kimmerly: I have already answered as to the preparation of the document. It is a document about the issue of including certain rights for gay people. That pertinent information as to biological or scientific facts are included, and statements about the positions of many of the churches are included. It is obviously incomplete, although as a package it is extremely informative.

Mr. Lang: Why is this particular package you say incomplete? I would ask the Minister why it is incomplete? Why were both sides of the question not presented in this so-called non-political document by the government, so the reader can make up his or her own mind as opposed to the Minister spoon-feeding them? Why is this taking only one side of the question if it is an apolitical document?

Hon. Mr. Kimmerly: It does not at all. It contains information from psychiatrists and doctors and church leaders and politicians. It contains newspaper articles. I believe it is intended as information which is pertinent to that issue which was not previously before the public.

Question re: Human Rights, meetings

Mr. Phelps: I have a couple of questions about public meetings. Some of the Members opposite found it so amusing that people in Whitehorse would not be allowed to have public meetings. I would like to ask the Minister why he did not report back to the people of the media and the people in Whitehorse that the people of Mayo were against the human rights proposals of the NDP, as were the people of Carcross, unanimously.

Hon. Mr. Kimmerly: Because those statements are patently untrue.

Mr. Phelps: I happened to be in Carcross and that is what the Minister was told by the people there. Some people in Mayo are rather curious about where their MLA, the Minister of Community Affairs, stands on some of these issues.

Would the Minister of Community Affairs stand up and tell the people of Yukon and his riding whether he supports the principles in the bill that was tabled last year by the NDP, and in particular whether he supports the sexual orientation clause being introduced in the legislation.

Hon. Mr. Kimmerly: The proposals made in the White Paper are proposals of the government, supported by the Cabinet, being the Government of the Yukon.

Mr. Phelps: I can ask then, the spokesperson for these people, the upfront guy, this question: the people of Mayo and Elsa can take it that each and every Cabinet Minister supported those principles, is that right?

Hon. Mr. Kimmerly: The government supports the principle. People of differing sexual orientations ought to be treated equally with respect to their civil rights. The Conservative Party obviously does not.

Some Member: Point of order...(Indecipherable).

Speaker: Order, please.

A point of order has been raised, and I find it is not a point of order.

Question re: Human Rights, meetings

Mr. Phillips: I find it very hard to accept the answers that the Minister of Justice gave to the Member for Riverdale South when she asked about public meetings in Whitehorse.

Can the Minister tell us why he has denied public meetings in the City of Whitehorse? Is he not denying the same equal opportunity that he gave to the rural communities? He is denying that opportunity in Whitehorse. Why does the Minister deny that?

Hon. Mr. Kimmerly: The purpose of the tour that I made in the rural communities was to be available in rural Yukon, as we are not, because Ministers live in the capital, as is required by our employment, in fact. The position of people who live here is substantially different. The intention is to have a meaningful dialogue with citizens, not to provide staged media events.

Mr. Phillips: It is an interesting comment to the people of Whitehorse that they cannot carry on a meaningful dialogue with the Minister, but the people in the rural communities can. I suggest that there would be meaningful dialogue and he should have the meetings in Whitehorse.

The Member for Whitehorse South Centre is using every feeble excuse he can muster to deny Yukoners an equal opportunity to speak out. Will the Minister tell the House that he will give the people of Whitehorse an opportunity for a public meeting prior to the bill being passed in this Legislature?

Hon. Mr. Kimmerly: The bill will be introduced, I am expecting, on Monday, December 1, at which point the consultation will be a legislative process, as opposed to a government process.

Mr. Phillips: The great crusader for human rights and the Minister tells us that he knows what is best for Yukoners. I do not think it has made the people of Whitehorse very happy. Will the Minister follow one of the basic principles in his bill and show the people now, before the bill is in place and before the Minister can manipulate and do whatever he wishes, that he will give them the same, equal opportunity to face the Minister personally and ask him questions about the bill? Will he have the meetings in Whitehorse?

Hon. Mr. Kimmerly: It is interesting that the Conservative Party has made up their minds about the process before they have seen the actual bill. Have they made up their minds about the way

they will vote on it also?

Question re: Liquor in correctional camps

Mr. Brewster: I would like to get a yes or a no on some of these, and I do not expect I will. This fall the inmates at Haines Junction had a little drinking party in the wee hours of the morning. The RCMP had to be called in to restore order. Why did the Minister of Justice allow the prisoners to get this liquor, and is this an example of these correctional camps?

Hon. Mr. Kimmerly: I did not, and it is not.

Mr. Brewster: That is about the shortest that the Minister has ever said. Who obtained this liquor? How was it transported to the camp?

Hon. Mr. Kimmerly: I wish I knew.

Mr. Brewster: I see that everybody thinks this is funny. Apparently, with all the unemployment I have, I will tell you later. Will the Minister clean up his act and provide a full and detailed account of what corrective measures he has put in place to see that these things do not happen again?

Hon. Mr. Kimmerly: Each and every inmate was immediately removed from the camp, and they lost 10 days of their good time, as it is called, except for one who lost 20 days, a substantial penalty for a few hours of misbehaviour.

Question re: Task Force on Placer Mining

Mr. Nordling: In its presentation to the Task Force on Placer Mining, the Department of Renewable Resources advocated a comprehensive reworking of existing legislation and regulations. In response, the task force made several specific recommendations with respect to changes to the present Act to create legal certainty. Has the department reviewed the recommendations made by the task force?

Hon. Mr. Porter: It is true that we delivered a departmental response to the Task Force. I believe it was in May of 1986. We did call for a comprehensive overview of water licensing and water management in the Yukon. To the specific question as to whether or not we have prepared a review of the recent recommendations of the Task Force, I would have to check with the department on that particular answer. My office has not received a review of which the Member speaks.

Mr. Nordling: Can the Minister tell us whether he plans to instruct his department to look at the recommendations and come up with some sort of position on them?

Hon. Mr. Porter: With respect to the question of a government position on the recommendations, there will be one government position, and yes I will ask the department to provide their specific recommendations to allow incorporation of the results of that review to be included in the government's position.

Question re: Ministerial Statements, publication

Mrs. Firth: I have a question for the Government Leader regarding the publication of some ministerial statements under the authority of the Speaker of the Yukon Legislative Assembly. I believe the Government Leader is familiar with the correspondence I have had both with you, Mr. Speaker, and with the Government Leader. I would like to know from the Government Leader who made the decision for the publication and how many copies in total were printed and at what cost?

Hon. Mr. Penikett: I do not have the answer to that question. I understand that the Member has written to me and the Speaker and the Speaker is intending to reply to the letter. I do know as well that the matter was joined partly at her initiative by the Members' Services Board and a report has been asked for from that Board and will become available to Members in time. I have not taken it upon myself to pursue the matter any further.

Mrs. Firth: I did not really ask for it to go to the Members' Services Board and it has been almost two months, since October 2, since I first corresponded with you. I find there are 11 ministerial statements and I have them all here in the Legislature from all the Ministers, including the Government Leader, who, after having had this brought to his attention at the beginning of this month, I thought would have taken it upon himself to find out what was

going on.

Speaker: Would the Member please get to the question?

Mrs. Firth: Yes, I will. I also have one signed by the Minister of Renewable Resources with a letter on it, and I would like to ask the Government Leader: will he give me an undertaking to find out again how many copies were published and at what cost and to whom they were sent?

Hon. Mr. Penikett: With the greatest of respect, the Members' Services Board does not require the permission of the Member for Riverdale South in order to look into a matter such as this. It was on our agenda. It has been discussed by the Members' Services Board which includes the Leader of the Official Opposition and the Leader of the Liberal Party. That committee is joined with the question now. When there is a report, we will make it available to all Members.

Mrs. Firth: Someone had to authorize these publications, and someone had to authorize that they go under the authority of the Speaker of the Legislative Assembly. Will the Government Leader give us an undertaking to find out who authorized them? He should know; he is the Government Leader. He should know what is going on in this government. Will they be removed from the information desk at the centre of this building, where they are presently still being handed out?

Hon. Mr. Penikett: I am quite content to have the matter dealt with by the Members' Services Board, unless the member persuades me otherwise.

Question re: Faro social worker

Mr. McLachlan: I directed specific questions to the Minister of Health and Human Resources and her department yesterday with respect to the social worker vacancy in Faro. I am wondering if she has an answer today.

Hon. Mrs. Joe: I have consulted with the department with respect to the ad that was out for the social worker in Faro. After the review of the situation there, and realizing that there was more case work in Ross River, it was decided that the social worker would be working out of Ross River but, at the same time that that plan was taking place, we had discussed the possibility of a social development worker working in Faro 30 hours a week. The social worker, when stationed in Ross River, if accommodation was available, would also be available in Faro, so that Faro would be covered more extensively than it has in the past.

Mr. McLachlan: Now the truth comes out. There really is no mistake in the ad, and Ross River was planned to be the base of operations all along. Why does the Minister feel that a community of 1,000 is going to have fewer problems than a community of 400?

Hon. Mrs. Joe: We do have a problem in Ross River with respect to a number of social problems, and we do have to deal with them. We felt all along, even when the population of Faro was greater, that the problems in Ross River did allow us to make some changes and have a person there who was going to be available. If the situation in Faro does change and the problems are greater there, then we do have the social development worker who will be there 30 hours a week and, as I said, the social worker from Ross River would also be spending time in Faro.

Mr. McLachlan: Has the government already entered into a lease with someone for office space in Ross River for this new worker?

Hon. Mr. Kimmerly: No, not at the present time.

Question re: Prison Labour Program

Mr. Brewster: In a column in a local newspaper three weeks ago, the Minister of Justice bragged about the success of his Prison Labour Program. Why does the Minister believe that my constituents who are unemployed should have to wait to go to jail to get a job?

Hon. Mr. Kimmerly: I do not believe that at all. That is patent nonsense, absolute nonsense.

Mr. Brewster: Why was a public tender not put out on the demolition of the Fairdale Store?

Hon. Mr. Kimmerly: The Member is probably referring to the old arena, the old building owned by the municipality. A tender was

put out. Nobody bid and the municipal council asked us to demolish the building, and we were pleased to do so at a significant saving to the ratepayers of Haines Junction.

Mr. Brewster: I would suggest that the Minister does not really know what he is talking about. Why was a public tender not put out for the fence that was put up for the RCMP?

Hon. Mr. Kimmerly: That is a federal project, of course, and it would be absolutely impossible for us to tender that particular project. I do know that it enhanced the community of Haines Junction at the request of the RCMP supported by federal taxpayers. I do know that.

Question re: Young Offenders Facility, 501 Taylor Street

Mr. Phillips: As a decision was rendered by the Municipal Board, and that decision was more of a technical decision, will the Minister of Health and Human Resources take into consideration the concerns of the property owners in the area and cancel the plans to turn 501 Taylor Street into a young offenders facility?

Hon. Mrs. Joe: We are going ahead with our original plan to use that as a young offenders facility. We will be starting renovations very quickly. I have been in contact with residents from around that area in further consultation with them.

Mr. Phillips: There very clearly was opposition to the proposal. The opposition came from the property owners, the taxpayers in the area. Those are the people the Minister should consult, because those are the people who are going to be directly affected.

Once again, here we have a government that says it consults and consults and it listens to the people in the Yukon. Why, in this case, is it taking a bureaucratic, technical, legal decision by a board over the wishes of the people in the community?

Hon. Mrs. Joe: We could have done what the Tories have done in the past and gone ahead and done it anyhow, but we followed the process and we followed it legally. We have consulted with the people. There were some people who were opposed to it. There were some people who were not. I am satisfied that we have done everything that we could in order to do what had to be done.

Mr. Phillips: You could do one more thing.

Hon. Mrs. Joe: Sure. Go along with you and close it down.

Question re: Financial Assistance Appeals Committee

Mrs. Firth: As I understand it, the Students Financial Assistance Committee has been discontinued and is the Financial Assistance Appeals Committee now. However, it is going under the same name. The individuals on that former committee were of the understanding that they would follow through and be the appeals committee. I have had a concern expressed by a member of the former committee whose term was terminated prematurely. It was to go to some time in August of 1987. Could the Minister tell us why that happened?

Hon. Mr. McDonald: The Member is quite correct. The committee has changed in character. One was a decision-making committee, the other was an appeals committee. Because the character of the committee itself changed substantially, we felt it was necessary and important to appoint new members to the new committee. I thanked all the members of the previous committee for their support and help in determining student financial assistance cases in the past. We appointed a new committee to hear only appeals that might be made to them by people who were appealing the decision of a student financial assistance officer.

Mrs. Firth: I find the Minister's response quite interesting, particularly his choice of words with regard to the character of the committee. The letter that the individual received was quite a short, curt letter and made reference to the committee now being defunct. However, the impression that was left was that this committee would carry on. Since we are talking about an individual's character, I thought the Minister could dispell any accusations about the individual who was dismissed, as it was the individual who had led the 501 Taylor Street petition. Did that have anything to do with the member being removed from the committee, since character is coming into question?

Hon. Mr. McDonald: Every member of the previous decision-making committee on student financial assistance matters was

removed; was asked to resign. We thanked them and tried to be friendly in the letter and if the Member interpreted that as a curt farewell to them I can assure her that I was certainly trying to be friendly in making my farewell remarks to individuals. The impression the Member had with respect to the character of the committees was in fact a wrong impression. The previous committee, which was the decision-making committee, is quite different from the appeals committee which was established under the amendments made to the Act recently. The two committees are different, the impression was wrong. I tried to be friendly and certainly was not in any way trying to link-up separate distinct issues and certainly would not have taken any punitive action against anybody who was expressing themselves on any public matter.

Mrs. Firth: So the Minister is telling the House then that it just happens to be coincidence that the individual who was on the committee that led the 501 Taylor Street petition had his appointment to that committee terminated almost a year prematurely?

Hon. Mr. McDonald: The accusation is very irresponsible in my view. I indicated that all members of the committee were terminated for the reasons that I gave, and those were the only reasons that went into making that decision.

Speaker: Time for Question Period has now elapsed. We will now proceed with the Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 7: Second Reading — *adjourned debate*

Clerk: Second reading, Bill No. 7, adjourned debate, Mr. Phelps.

Mr. Phelps: I debate the second reading of this bill. I would first like to speak to some of the good things that we see in the budget, because there are a few things that we think are laudatory and we want to give credit where credit is due.

Some of the new programs, for example, in the Department of Economic Development: Mines and Small Business are welcomed by us. We welcome the new \$500,000 Venture Capital Program, which may encourage new investments in the Yukon. However, we will be watching the implementation of this program very carefully, as we do not have the utmost faith in bureaucrats to make decisions about good and poor investments, and we know that a lot of money can be wasted rather foolishly when decisions are taken by people with little experience in the private sector. We have seen that happen with grants over a good many years. We will be very interested in seeing exactly how that program will be implemented.

We welcome, too, the new program worth \$300,000 for feasibility studies into renewable resource enterprises. Again, we have the same concern. We want to examine very carefully the implementation and how the money is allocated and on what basis because, again, we will be concerned about wasteful decisions by people who may not have much experience in the real world of business.

Also welcome is the increase to the government's loan assistance plan from \$1.6 million to \$3.25 million, as well as the increase to the Canada-Yukon Agriculture and Rural Development Agreement.

At this time, I would like to point out our party's strong preference for the use of low interest or no interest government loans for government assistance to the private sector rather than the use of grants. Therefore, we would like to see even more emphasis placed on strengthening and broadening the loans programs, wherever possible, and less emphasis on the grants that are made available through the EDA programs. Our position continues to be that the Government of Yukon should be negotiating with Canada to seek a shift in emphasis under EDA away from grants, at least to the private sector.

¹⁹ We also favour an approach to government assistance to the business sector that would ensure all citizens have an equal chance for assistance so that no one group could be seen to be favoured to the detriment of other and often competing businesses. I would ask

that the Members opposite not take this matter lightly. I know from personal experience, and from discussions with many businessmen around the territory, that some are suffering because grants have been given out to competing businesses, grants which are not available in many cases to those who are, at this time, suffering. This would seem to be unfair by any standards. And it would seem that it was essential to try to get the programs into a position where anyone can meet the terms and conditions and compete for those funds, particularly when those funds, hopefully over time, will become loans rather than grants.

We support the allocation of \$150,000 to the Prospectors Assistance Program. As Yukoners know, we were committed to reinstating that program and promised to do so back in May 1985. We are also pleased to see new facilities going into most Yukon communities and, of course, welcome the work that construction of all these new facilities will bring. Time does not permit, of course, for me to go into each and every project, but I want to say at this time, in my general remarks, that many of them are welcome. There are some caveats that I will be placing, however, later in this talk.

The continuation of the building of Yukon College, to the tune of \$12 million, is welcome. It was, of course, the previous government that initiated this project, and we on this side remain committed to it. I would be remiss if I did not mention positively the \$500,000 for the construction of an industrial arts shop at the Carcross school, and, indeed, the money that is going into highway construction and upgrading throughout the Yukon and which will be of benefit to most who reside here.

20 Having said all this, there are things about the budget that are of concern to me and that I know will be of concern to many Yukoners. First, I am concerned about the way the Minister uses, or abuses, statistics and numbers in his speech. For example on page seven, the Minister states, "The impact of this budget on employment is estimated to be the creation of maintenance of approximately 1,800 jobs." What really does this mean? It implies a huge increase in the labour force. In fact many might think that the 1,800 jobs are new jobs that are going to be created by this budget. Would it not be better if the government would tell us how many, if any, new additional jobs would be created rather than manipulate the figures into one large chunk that sound good but really do not mean much to us?

The Minister states that the new capital budget of \$114 million represents an increase over the revised capital estimates of six percent. Just six percent. No problem. Those figures are accurate, I guess, but surely they are entirely misleading. I do not say this in an entirely harsh and critical way, but would it not be more realistic and more representative to compare this first capital estimate for the next year budget with the first capital estimate for last year? If that is done, then we could compare \$114 million plus with just under \$81 million, an increase of more than 40 percent, not six.

Now, of course, during the year in question, the government kept coming back to the trough for more, but then surely it is only rational to assume they will be coming back to the trough for more next year. So surely the real comparison ought to be with those two capital budget estimates.

Or let us compare this year's \$114 million on the first capital estimate with the first capital estimate for 1985/86, the last one under the previous administration. People may forget, but let us remind them, that budget was for \$48 million, so the capital budget compared, in this manner, which we suggest is only fair, in two years has increased from an estimated \$48 million to \$114 million or, using figures again, 137.5 percent.

21 Money is being spent like never before. Sailors out on a spree. Already for this year, we are facing a deficit of \$17 million. The Minister says there is no problem. We will simply take that from the accumulated surplus of \$62 million. That is okay, maybe. Maybe he can do it once, but he cannot do it very often.

It is a deficit of \$17 million, particularly when this government has received an additional \$50 million from the federal government for the years in question. It draws the surplus down to \$45 million. \$34 million of that surplus is money that is not readily available. It is money that is tied up in land and long term debts.

I would submit in a positive tone that this government ought to be reasonably prudent. It is left with a surplus of short term or liquid assets of more like \$11 million now, and we should not get below much more than that much of a cushion. We need some money for emergencies.

I submit that the administration of Mr. Pearson was prudent in this regard. It had money on hand for emergencies. Emergencies did occur, and that government was always in a position to meet them head on and to resolve them quickly. For example, the failure of the credit union cost of \$1 million and all the attendant problems that arose when we had the downturn in the economy in the early 1980's, and this year is not over yet.

The deficit keeps growing. The surplus keeps shrinking. Yukoners may well ask themselves why the government is spending so much so wildly now. They might well ask if it is because it is an election year in the making, because the following year, no matter how inane the namely Members opposite may giggle at the suggestion, the government will have to cut back because it cannot afford to carry on with this kind of deficit.

The government, if it is at all prudent, and I am sure there are those within it who are, knows that in 1988 they are going to have to face the real world for the first time and negotiate a significant budget on their own with Ottawa. All this extra money that is being spent, this additional \$50 million over anything in the past, comes from the three year financial agreement that was negotiated by the previous administration.

22 Why are we spending so much right now? Are we being prudent with the taxpayers' dollars? I fear that we are not.

I would like to make another point. In our opinion, the priorities of this huge, bloated budget are somewhat wrong and askew. Surely, we should be spending more on infrastructure that would facilitate the growth of the private sector, and less on community halls, skating rinks and the like. That is not to say that those kinds of things are not important. We are talking here of emphasis, and I would really hate to see that point, which I am making as clear as I can, taken out of context by Members opposite.

I would like to see more infrastructure on road building, more emphasis on attacking our energy problems. Acting quickly to reduce the cost of electrical energy in places like Watson Lake, Dawson and Haines Junction would encourage more industry and tourism-related industry. More roads and cheaper energy would encourage new mines.

It is industry and mining, including the tourist industry, that create wealth. As new wealth is created, then we can afford to shift the emphasis towards meeting social needs. That is not to say there has not been an attempt by this government to facilitate industry. I have already applauded them for those efforts. There has been some initiative there. However, we feel that the priorities seem backwards. Rather than focus on stimulating the private sector, this budget focuses on election-type goodies: community halls, curling rinks and the like.

The deficit increases from estimate to estimate and the surplus decreases.

I have said that there are many aspects of this budget that are promising, but the priorities are wrong. Looking ahead to Yukon's future, the budget is simply not good enough.

Ms. Kassi: I am pleased to be speaking to the second reading of the Capital Budget for 1987-88. It is gratifying to see the rural communities getting some of the things that people here in Whitehorse enjoy. Our communities are being heard and our long-time wishes are finally being met.

In his speech, the Minister talked about funding a new community centre in Pelly Crossing. The community centres are vital to the aboriginal people.

23 We need places to gather, which we do quite often, to strengthen our people and this is something I support wholeheartedly. I see continued funding for an arena in Ross River and a school in Watson Lake. These communities need these facilities. It also pleases me to see a young offenders facility announced, a place where personal development and rehabilitation can occur for those who have gone astray, these young people who can be given a

chance to be able to survive in a society. With the right attitudes and support we can make this happen.

As well, I see in the supplementary budget for the current year that the Local Employment Opportunities Program is being continued. Old Crow, as well as all the Yukon communities, can benefit greatly from this winter works program as they did last year.

I also see more funding for housing and for recreation which, as we all know, is badly needed in our rural communities. Better homes and recreation will make it easier to combat the alcohol problems in the communities.

Closer to home, we are taking our first steps in building our road to resources in Old Crow. The Crow Mountain situated immediately behind our village is a sacred place for the Kutchin people. We have been asking for this for the past twenty-five years or more. Finally we will be getting this small road which will not only be an easier access for our elders to gather food, such as the caribou, berries, medicines and the fireweed, resources that continue to be vital for the daily living of my people. As well, it will be cost effective now and in the long run, because food costs are high and we are still paying \$6 per gallon for gas which makes it harder for our people to hunt farther up the rivers to the caribou crossings.

Therefore, on behalf of the Vantat Gwich'in of Old Crow I congratulate the Minister of Finance and his Cabinet colleagues for their continued support and for this government's overall efforts to create more jobs that diversify the economy throughout the territory. With that, Mr. Speaker, massi cho.

Mr. McLachlan: I am in agreement with a number of the comments that the Leader of the Official Opposition has made in regard to a number of initiatives taken in the budget with regard to development of his initiatives here in the territory, especially the new venture capital program. Programs like this are long overdue. There is a crying need for new pools of business development money, especially when those are locally created and initiated. Changes in the Loan Assistance Plan, whereby the percentage which the government is able to fund being doubled in the urban communities and increased to 80 percent in rural communities, are indeed welcome.

We especially appreciate the increase in the maximum amount of available funding the government is prepared to put up being raised to \$250,000 from \$100,000. It is indeed encouraging to see loan assistance for working capital and inventory financing, something that is not normally done by chartered banks.

²⁴ As well, help for contractors in securing bid bonds will be something that is much appreciated by those in that type of work.

It is interesting to see a further increase in the SEAL program. There is no doubt that two years ago, in 1984, the uptake on this program was very poorly undertaken and that crying needs had to be addressed in this area.

We also appreciate and applaud efforts within the Department of Community and Transportation Services for the increased funding for TV and radio communications. We are looking forward to some interesting announcements in this field.

However, there are some areas in the budget that I feel deserve criticism. Although we appreciate increased assistance to the prospectors, I feel that the level of funding is still short of what it should be. The increase of the program to \$150,000 is able to handle another seven prospectors. I predict that the program allotment in this area will, again, fall short, and that the Minister will soon have to re-address this problem of insufficient funding in this area.

I would like to suggest to the Minister of Economic Development that the sword for the prospectors be two-sided; that is, in the winter period, such as we face now, that the particular applicants for the program be brought into Whitehorse and be initiated in other programs of training in the areas of prospecting, leaving their summers free to do the practical work. I feel that more initiatives should be directed to this particular group of people who, as the Minister is well familiar, are often the basic elements in any new mine-finding programs in the territory. Five or less prospects out of every 100 eventually become mines. We must not disregard these

people.

I have some concerns within the Department of Community and Transportation Services on the money budgeted for capital on the highways. I feel this department has not, as yet, got a total grip on the amount of work that is going to be required on the highway running between Faro and the Canada-US border for the concentrate haul. I feel that there remains a great deal of rebuilding that has to be done on this road, and that the government is not yet in a position to assess the whole effect on the territory of this mine-haul.

I also feel as the Leader of the Official Opposition does, that the job creation figures indicated in the budget are rigged, created, gerrymandered, but appear to be definitely on the high side for something that is passed as a regular, ongoing feature at this time of year.

²⁵ In the Yukon Housing Corporation budget, which we now see for the first time as a separate vote, monies that have been approved for housing have been increased significantly, but if anything, we now see, as indicated by reports last fall, that housing in the Yukon is indeed on the sorry side in some areas. I feel that this is one area where improvements have been made but must continue to be seriously looked at.

I want to remind the Leader of the Official Opposition, with regard to comments made about monies being extravagantly expended or used, that the reserve money that is left behind, not in distribution and not in use, does no one any good except the chartered bank where it is parked.

The other side of the House has often insisted that funds available be used for the betterment of life in this territory, and that we must follow the maxim of use it or lose it.

Mr. Webster: I want to express my pleasure with this Capital Budget because it demonstrates that this government continues to recognize the importance of rural Yukon, acknowledge its needs and has allocated funds for projects in the outlying communities accordingly.

Rather than speak in general terms about rural Yukon, as did the Member for Old Crow, first I will speak in specific terms about my rural riding of Klondike. It may appear to the casual observer that my riding of Klondike is getting more than its fair share of funding, perhaps a disproportionate share of the funding, and that is for very good reasons, which I will just take a couple of minutes to explain.

You must realize, of course, that the bulk of the money, \$6 million in fact, is being allocated for two major projects, the first being a dike of \$3 million, and the second being the construction of a new school. Those situations, in my mind and I think in the minds of most people, would be classified as emergency situations, and it is gratifying to see the government being so responsive.

We all remember back in 1979 the devastating flood that hit the community and caused some \$5 million damage. Since that flood in 1979, there has been a lot of development in Dawson City, both in the public sector — as you know Parks Canada has a continuing program to rehabilitate and restore some of the original buildings in Dawson City — and in the private sector as well.

²⁶ Another flood of similar proportions could easily discourage new business, existing business and would certainly have a major impact on Parks Canada's plans for the development of that community over the next ten or fifteen years. So for sound economic reasons, and also for some very obvious social ones, this project is going ahead and, as I mentioned, I am very pleased that it has.

As most hon. Members are aware, Robert Service School has been a condemned building now for more than a year. It is a hazard to pupils because of its condition, and it is very costly to maintain and operate the building. So I am quite pleased that the department has budgeted \$3 million to begin construction next year in probably a two-year, two-phase project that will see a design strictly compatible with the community and will also include some facilities that will be widely used by all members of the community.

I would like to say that to replace the school is in keeping with this government's policy of replacing structures in Dawson that have been declared condemned. The school is not the only one. As most of you are aware, the firehall has been condemned now for more than five years. I am pleased to report that significant progress

has been made on the new one with foundations poured, framing is going up, and it will soon be housed to enable workers to continue throughout the winter to complete the firehall.

The Administration Building, more commonly referred to as the liquor store, is another example of a structure that has been condemned for quite some time and must be replaced. I am confident that it will be replaced, and perhaps there will be a new administration building in future capital budgets. The budget also includes other projects that are necessary to Dawson, such as expansion of sewer and water systems to accommodate future development.

So, as hon. Members can see from my remarks, this capital budget is not pouring money into Dawson for frills. I do not think that we are spending our money like drunken sailors, as a Member of the Opposition said with respect to capital projects slated for Dawson City. I think that these are obviously essential projects and are for the safety and well-being of our community. They are certainly not election goodies. If they were election goodies, the dike, for example, would have been built in 1981 and 1984. When you consider the consequences of another flood as bad as the 1979 catastrophe, it still is a wonder to me why the dike was not built in the last seven years.

As a former member of the Dawson City Council and the Association of Yukon Communities, I am very pleased to see the \$19 million allotted to the community affairs program, which includes a \$7.3 million capital block funding to the communities and a one-time supplement of \$1.7 million for this purpose.

²⁷ This means that not only will communities have more money, they will also have more autonomy. They will have more say on how monies will be spent on much-needed projects in their communities.

In general, I do not share the same opinion as the Leader of the Official Opposition with respect to roads. I am very pleased to see this government continuing road improvements, especially to the Klondike Highway, from Skagway to Dawson. This means the establishment of a reliable transportation corridor which will improve services to rural Yukoners. It will encourage economic development. This is a corridor that business can count on, and a very important alternate route for tourist traffic to Alaska. There have been monies also set aside to improve the Top of the World Highway, and I am sure that in a few years time, as more improvements to the Klondike and the Top of the World Highway are made, this will indeed become a very attractive alternate route for tourists to Alaska.

There are many other programs in the Capital Budget, such as the Prospectors Assistance Program, which has already been referred to, and the Venture Capital Program, far too many for me to discuss in detail at this time, but suffice to say that I am pleased with the overall thrust of this Capital Budget for the next fiscal year and the benefit that will accrue to Yukon as a result through the stimulation and diversification of our economy and the number of jobs that will be created.

Mr. Brewster: Having listened to a few of the rural constituencies, I begin to realize now that we are the Siberia of the Yukon. The strange thing about it is we are the most beautiful part of the Yukon. The pictures and all their heritage Yukon are taken from our area, but very seldom do they mention Kluane. They always mention Carcross, they mention Dawson City, or they mention somewhere else. Ninety percent of the pictures, if you really look at them, come from the beautiful Kluane area.

After having listened to the government speak about the Yukon economy yesterday, I thought I had died and gone to heaven: everything was perfect. At last, all of our economic problems had been solved. Harsh reality, however, soon set in and brought me back to earth. The Government Leader and his crew may still be walking on clouds in a dream world, but most Yukoners are not. There is an air of unreality about the current economic upswing in the Yukon. It is like a bubble of prosperity floating around the Yukon, but it does not go to all places, and like all bubbles it ultimately will break. Many people see the development going on all around them, but very few people can explain why it is happening.

After seeing the \$114 million budget yesterday, they now know why: Christmas has come, in fact one month early. I look across to the side opposite, to the Government Leader, and I could have sworn I saw Santa Claus. His red tie grew and grew and grew until his whole suit was red. I am not a Scrooge, and I do not believe in hoarding money for money's sake. At the same time, I want to see the taxpayers' dollars spent wisely. Let us get the most out of our money.

There are many good things in the budget, and I congratulate the government for them.

²⁸ Although there are many good things the Government Leader said about the economy, I would like to point out a few things about rural Yukon and my constituency that are not so good. In the Kluane area, the Kluane Tribal Council has 22 to 25 young people out of work. Some of them have never worked in their life. The Outreach office in Haines Junction lists a minimum 40 people as being currently unemployed. In a small community, these numbers are very large.

There is another point I would like to make. In the Kluane area, the two largest contractors that are putting people to work were initiated without the help of this government. The federal government is responsible for the road construction between Stony Creek and Mendenhall. This contract was agreed to by the previous Yukon government. The federal government put the money into it long before the socialists came to power.

The second contract involves the Shakwak Project and was paid for partly by the Alaskans and by the American federal government. Let us give credit where credit is due.

I am very concerned about the long-term economic future of the Yukon. Put the fancy slogans aside and examine carefully what we are doing. Throwing money at a problem only works for so long — until the money has run out. How can we go on with all these make-work programs that only last for short terms? What are we offering our children? We have to give them something. We have to give them some meaningful employment. Make-work programs simply do not and are not really enough.

In Kluane, tourism-related jobs are going to become fewer and fewer because our tourism is falling. The Customs office in Beaver Creek records that the number of visitors entering Canada is dropping by 1.3 percent. At Pleasant Camp, the percentage drop is 9.7 percent.

This is from a news release from the Yukon government, and seeing that the hon. Member for Dawson brought some of these things up, I will read it all.

The Customs office at Fraser on the Skagway Road recorded a record 28.8 percent increase in private vehicles and 21.67 percent increase in passengers. These figures do not include the ore trucks returning to Faro. There were 11,408 private vehicles, 998 buses and 56,630 people, which includes those riding in private vehicles and buses. A significant increase was also reported in visitors coming through Dawson City. The Customs office at Little Gold on the Top of the World Highway recorded 9,910 people, up 16.26 percent. With much of the Haines traffic shifting to Skagway, the Pleasant Camp Customs office on the Haines Road recorded only 16,244 people, a decrease of 9.7 percent. Beaver Creek cleared 62,753 people, a decrease of 1.3 percent.

Some of the highway lodges have done well, but let's examine why. One of the major lodges was destroyed by fire and the others just naturally picked up the slack. If this lodge had not been destroyed, the other lodges would not have done so well.

What did the Yukon government do to improve tourism in the Kluane area. I notice there is a \$360,000 budget for Herschel Island, but there is no money for Silver City.

²⁹ The city was deteriorating fast and was nearly washed away by a flood. How long is the Yukon government going to wait before it does something? What are the bus tours going to do when Silver City is gone? I can tell you what they are going to do. They are going to drive by at 60 miles per hour. Does the government not realize that just about every bus tour stops at Silver City. By way of contrast, how many tourists are going to see Herschel Island?

Let us get our spending priorities straight. I think it is good that the government is going to build a community club at Burwash;

however, there is a more pressing necessity. The community and surrounding area needs an RCMP officer stationed in the area, but I am told there is no money for this. We are not spending our money in the proper directions. Look at the EDA and what is going on there. They continually put the cart before the horse.

The government imports elk and reindeer into Yukon, and as an afterthought commissions a study on what impact these animals will have on Yukon wildlife. The study is too little too late, and the money will be wasted.

When the Select Committee on Renewable Resources tables its report, I am going to have a lot more to say about the waste of public money. How can we continue to throw money away on silly projects and expect the Government of Canada to bail us out? How can we expect the national government, which is trying to counteract the decades of overspending, to seriously consider the Yukon's economic circumstance of long term needs when the government is squandering money? Let us see some fiscal responsibility and financial accountability. Let us spend our money wisely and get the best value for our dollar.

I want to see us build the Yukon economy rather than merely prop it up. I want to see economic leadership coming from the other side rather than seeing Santa Claus.

Hon. Mrs. Joe: I am pleased to address the House on the Capital Budget for 1987/88. This budget supports the needs and aspirations of Yukoners in all communities for economic and social opportunities. Through the Capital Estimates for the Department of Health and Human Resources, I will be addressing a variety of initiatives including a mix of action and advance planning. The provision of capital grants for the development or improvement of licensed daycare centres is a significant feature. This program will complement the broad range of initiatives we have taken on daycare and will benefit Yukon families and children throughout the territory.

As the Minister of Finance indicated yesterday, we are investing in the future health and well-being of Yukoners requiring extended care services by supporting the establishment of a facility in Whitehorse. It is our hope that the federal government will follow through on their commitment to construct a new hospital centre in conjunction with this project.

As in past years, we are supporting the capital projects implemented by National Health and Welfare, which, for 1987/88, included the construction of a health centre in Pelly Crossing.

As a complementary undertaking to the work being done by the Ministerial Advisory Committee on Substance Abuse, my department will be conducting a major review of alcohol and drug related facilities including the Whitehorse Detoxification Centre. As mentioned yesterday, we will be proceeding on construction of a secure facility for young offenders.

These are some of the highlights, and I will be pleased to provide information to Members of the House and discuss our choices in the coming weeks.

30

Mrs. Firth: I will keep my comments brief and to the point and hope they are received in a positive and constructive way by the Members opposite. I want to first congratulate the government on another capital budget and particularly to make note of the identification of the funds for the Jeckell Junior High gymnasium and say that I am sure the residents of that area, both Riverdale North and South, will be pleased to have the extension of that facility and the use of that facility. I know they were looking forward to the Grey Mountain Primary Activity Room being constructed, and that is well underway also, if not almost completed.

I want to make some comments about the 1987/88 budget, and I also want to raise some concerns that I have about the budget. Yesterday I was in the budget lock-up, which was the first opportunity I had to attend a budget lock-up and participate in that kind of activity, and when I first viewed the capital budget document, I was somewhat surprised at the lack of information contained in the document. However, after going through it more thoroughly, I find that there are some shortfalls in the information

presented and yet I recognize why the government has moved to this new kind of format, and I believe it is because of the capital plan. The document is now consistent with the capital plan and the O&M budget format that the government presents.

There was a concern expressed about not being able to pull detailed information out of the budget during the lock-up and when the departmental officials came to participate in the discussions, they entered the room with documents and briefing notes that were probably a foot-and-a-half high. I hope the Ministers are not going to have to bring that kind of information into the Legislature to brief us because it could be quite a lengthy debate.

To avoid that kind of confusion, we have requested from the Government Leader — and I hope he takes our request in a positive and constructive way — a breakdown from the Department of Finance on a community-by-community and project-by-project basis, and would hope that the Government Leader will provide us with that information as soon as he can. We understand that it should be fairly easy to do.

I want to comment about the past session and some of the difficulty we had extracting information from some of the Ministers. I would certainly hope that this does not happen again through this budget debate. I must, however, exclude the Minister of Community and Transportation Services and Education from that criticism. He was more forthcoming than his colleagues with information and was generally very cooperative in providing this side of the Legislative Assembly with documents that were requested.

³¹ I would like to make a suggestion to the government with respect to the preparation of the next Capital Budget. I have an idea that I would like to share with them about the information that is provided. I am doing this for our assistance as Members probably lastly because we are most familiar with the process, but more for the assistance of the members of the public, who are involved in some capacity on government committees, or who are councillors in communities, or band representatives, or just general public who are interested in looking at budget documents and trying to find out where the government is spending their money.

It is very difficult to tell from the budget what exactly is happening. I find the supplementary information relatively good in a sense that the program objectives are identified for all of the program areas. That provides us with some assistance as to exactly what the departments are supposed to be doing. However, in the supplementary information on program activities, I think there could be some narrative to accompany the program activities. It does not have to be extensive. It could simply amplify what the government is doing in that activity area. For an example, in the Department of Tourism, under the Heritage program, they talk about historic sites development and mention three sites: Fort Selkirk, Yukon Heritage Inventory and the *SS Tutshi*, but there is nothing to say what is happening there. I think, in a few lines, the government could indicate what the historic site development is all about, whether they are stabilizing the sites or whether they are reworking the grounds, just to give some indication as to what is happening.

Everyone knows who deals with the local museum development budgets and who is familiar with the museums, that there are seven in the Yukon and perhaps they could just be listed along with an identification or allotment of funding that is going to those specific museums. That is just a suggestion I wanted to make.

Regarding new projects, they are not identified in any way in the budget. I am not saying that the previous government had the best way of expressing their capital estimates and providing information, but for new projects and some special activities, we did give a bit of a narrative as to what it was and what it involved. I think it would be a good idea if the government would consider including that in their budget presentation. Say, in the area of the Venture Capital and the Renewable Resources Community Development Program that they have. We could have a couple of lines as to the intention of the program and how fully developed it is, so we do not get into long debates about the progress or the development of the program.

³² The Government Leader did issue press releases and some information with the budget documented, and that was fine, but it

was not as good as if it had been included right in the document in a couple of lines.

I know that that should not be too onerous a task because the Capital Plan is very detailed on every program and on every project. When the budget is prepared, every capital project and every program is quite thoroughly described, and some of that information could be used.

If it makes the document a little more cumbersome, or the Capital Estimates a little more cumbersome, I think that is fine. It could stand to be a quarter of an inch thicker, and it would not really task any of the Members going through it. I hope the Government Leader will take my suggestions seriously, and I look forward to some response regarding the request that we made yesterday.

My concerns about the Budget I have expressed in this Legislative Assembly before. I always have a concern when we start spending extremely large amounts of money. To me, and I think to the average Yukoner, and all Members of this Legislature, \$114 million is a tremendous amount of money. We still have to, as legislators, secure the confidence of the public that we know what we are doing when these funds are spent. I think that is an ongoing process, and it will be up to the Government Leader to determine whether or not he has secured that public confidence in the responses he gets to his Budget.

I have noticed that some of the objectives have been expanded, some changed outright, and I will be looking forward to some more specific debate in this area. I have a concern about the Yukon Housing Corporation being referred to now as the Social Housing Program, because I feel it will not be long before the Social Housing Program becomes a Social Housing Department, particularly when we see an allotment of \$2.7 million for that program. I think I know how the Member opposite feel about this particular item. No doubt it is a priority with their ideology and the philosophy they wish to pursue.

My greatest concern about the Budget is what is going to happen in the future. My concern is about the downstream costs of the capital projects, the potential O&M costs and whether or not the population in the territory is going to be able to handle the costs that we have to pay in increased taxes, or should our funding from Ottawa be cut back. I think we all know that that day is probably coming.

However, I do agree with the Government Leader when he talks about Yukoners being treated as second class citizens, and we do not feel that Yukoners should have to be treated that way either. However, I do want to register again that when we talk about growth, it should be well planned and very seriously and responsibly looked at before we commit such large amounts of money.

³³ I will be interested in hearing what reassurances the Government Leader can give me that the costs that are going to be incurred as a result of the capital projects, particularly the large ones, that we as Yukoners are going to be able to pay for them at least five years into the future. Two would be better. We are three years now into our five-year capital plan, and I know it is an ongoing process but I will still be looking for some reassurance.

We will be proceeding with a department-by-department debate after we have more information forthcoming and I see the debate being constructive and informative. We as an opposition feel that we have to perform our duties vigorously and industriously and with determination, and we will supervise all the expenditures that the government is making and try to prevent overexpenditures by exposing to public opinion any waste or worse that we may discover in the budget.

We can only do this if, and I quote the Government Leader in his new capacity as Government Leader — these are things he said as a Member of the Opposition and the Leader of the Opposition — and I quote from *Hansard*, November 1982, page 45. I know the Government Leader will be very flattered that I am quoting him and I have his full attention now. "We will do this, Mr. Speaker, so long as our rights and responsibilities as the people's representatives and as critics are respected by the other side and, Mr. Speaker, we look forward to the government extending that to us and being forthcoming with their information and, of course, living

up to their policies of open government and accountability".

Hon. Mr. McDonald: I will admit to you from the beginning that the constructive remarks made by the Member for Riverdale South certainly curbed some of the passion that was welling inside me after hearing the comments from the Leader of the Official Opposition, because I had something I certainly wanted to say on the comments that he had made and intend to say some things on the comments he has made.

The member for Riverdale South, I think, in her expression of responsible concern for the budget, stated the kind of concern that I think Members of the House ought to feel for any budget that is tabled before it. Certainly the expenditures outlined in this budget are significant, and I believe to be a significant boon to the territory, but as one Minister at least, it is obviously my responsibility and duty, which I accept readily, to explain as fully as I can those expenditures, and hopefully be in a position to adequately defend them.

The Member did mention the issue of downstream costs or the long-term O&M costs that would be associated with capital works and, of course, that is something that has to be a concern to any government, whether it be municipal, territorial or federal. Clearly sometimes you can unwittingly build in long-term costs that somebody will have to bear at some stage in the future, and we have recognized numerous examples of that where we were surprised at the long-term costs which we had not quite anticipated. I will try to assure the Members that with expenditures from my departments, at least, we had given some thought to that item. We have not quite tied down the O&M costs associated with the new Yukon College, but they would not be identified in this budget or the coming O&M budget. They would be identified in the O&M budget a year this coming spring.

³⁴ We are mindful of that particular concern and should be able to discuss it in an informed way when the budgets are before us.

The Member also briefly mentioned the Yukon Housing Corporation, and somewhat greater emphasis on social housing programs. That is true. It may be a reflection of the differences in the political philosophy between the Conservatives and this government, but I will undertake to defend those estimates in both ideological and factual terms when the time comes. I look forward to that debate.

The Member for Faro, in his remarks, was generally quite positive about the general thrust of the Act, and I am sure he will have questions about not only his own riding but about all the ridings in the territory. He did mention that he felt that there was not as much emphasis put on the Prospector Assistance Program as could be had, that perhaps it was too little. I think we all recognize that this is an important program. We know that mineral exploration generally in the territory has gone up 50 percent this year, so that is a fairly encouraging sign. I would like to think, at least in part, that the government had something to do with that.

In the past, funding for this program — once a federal program — was \$75,000 for two territories. We have taken our participation from zero dollars to \$150,000 for the Yukon Territory. I think that is a pretty laudable goal that we have reached already. Perhaps in the future, if there is more demand, it makes more sense to increase that amount and the Minister of Economic Development will consider it.

The Member for Faro also mentioned that there ought to be some more emphasis placed on the Faro to Fraser transportation route, because the government had not really considered the ultimate consequences of increased traffic flow on that route. I can assure the Member, and I will attempt to prove to the Member, that the expenditures on that route are quite considerable this year, both on the South Klondike Highway — the Carcross to Fraser portion of the road — which is recoverable under the Engineering Services Agreement, and on routes in between. Perhaps we will have a good informed debate on that matter, as well.

I did take some exception to the Member's accusation that the job creation figures had been, in some way, gerrymandered. The job figures are based on a finance model developed by the previous Conservative government, and only serves to indicate that, of the

expenditure here, 1,800 jobs would be created, which is somewhat greater than the 1,200 jobs that would have been created under the previous budget.

³⁵ There was no attempt to gerrymander, but merely to provide a factual account of what the effect of the budget would be. The Member did mention that he felt that the proposed capital side of the housing budget was, as he put it, on the sorry side, that there could be more improvements made to the budget. It would be interesting to see how the three parties in the Legislature somehow accommodate the obvious different opinions on this subject. I will try to explain how we are trying to improve the housing situation in the territory, which has been described as the worst of any jurisdiction in the country. I will attempt to show how we are trying to improve that situation in a gradual evolutionary way without creating serious shocks to the system.

The Leader of the Official Opposition is making some grunting noises, and I will assure him that I will be getting to him shortly. The Member for Kluane did not have very much good to say about what is obviously an upswing in the economy. We will always have our naysayers about the future. We will have to just grin and bear the fact that there are people around who are not particularly encouraged, or who will never recognize that improvements are being made, but perhaps that is a reflection of a general state of mind at the present time.

The Member mentioned that there were lots of people — I think he said 'plenty' of people or 'lots' of people — who are unemployed in Burwash, and that, of course, is a concern to the government. There is, of course, the Local Employment Opportunities Program, which, I hope, will serve to help the unemployed in Burwash. But, of course, the Member does not have much respect for this program, and I am sure he would label that as make-work. For that reason, he would feel that it is not the best approach. I would be interested in his position on LEOP, because I know the position has been expressed by various constituents in his riding on that particular program.

The Member did mention, of course, that there were a couple of projects in the riding — a federal roads project and the Shakwak project — which is, as the Member knows and we all know, largely funded by the American government. It was interesting to note that he did say that there was a federal road project that really the responsibility should be borne by the previous Yukon Conservative government, which is an interesting anomaly. He did, I guess, implicitly make the charge that the government is ignoring his district, and I would like to assure him that that is patently not true, and I will be prepared to prove in the Estimates, certainly in my departments. We did make a very serious attempt to be fair in our funding of all constituencies. I think that is a reflection of how this government operates.

³⁶ The Member mentioned and recognized that the government is planning to design and eventually build a community hall in Burwash and felt that a higher priority would be an RCMP station. As the Member knows, the RCMP station would be a federally funded project, and I do not think that we would get into funding a federal project at this time. Perhaps the Member might want to take it up with the Prime Minister, or perhaps we could even take it up with the Prime Minister on his behalf.

The Member mentioned that he felt that we were squandering money and that we should be building the economy and not propping it up. I hope that I can convince the Member that not only are we not squandering money, we are building the infrastructure. All economic indicators show that the economy is not only being supported by the government, but it is growing. Growth forecasts for this year show that the growth of our economy is second to none in this territory. I think that is a laudable achievement, in part, by this government in partnership with the private sector.

The economic forecasts for this territory are almost without exception on the positive side. I realize that these forecasts would not mean much to a person in the Assembly who did not have any faith in the Yukon economy, but the population in the territory is up. There is a dramatic drop in the number of UIC claimants. Mineral exploration is up by 50 percent. Placer activity was pretty

buoyant this year in Dawson and Mayo. Construction was up. Tourism was up. There may have been some anomalies that we will have to address. Traffic activity through Haines Junction is down a little because there is increased activity through another corridor.

Economic signs generally, despite a general downturn in the Beaufort and the general malaise that the country is in at the present time, are good. The actions of this government have lent themselves to supporting the general uptrend in the economy.

The Leader of the Official Opposition has said that the Government Leader had exercised ability to create statistics that were perhaps misleading. In spite of the fact that 1,800 jobs may not be a real figure, the economic model by which that was determined was developed by the Pearson government, and it is a reflection of the considerable benefits that this Capital Budget is going to provide for the people of the territory.

³⁷ The Member mentioned that there was an increase over previous years, and spent some time creating an argument to demonstrate that perhaps the increases that we had suggested over previous years were inaccurate, that the increase was much greater than it was in previous years. In our view, that is not a bad thing. We are spending more money for communities in all the regions in the territory. We are encouraging more local control over spending by municipalities. We are spending more money for economic diversification and job creation. We are spending more money on basic infrastructure. In the area for which I am responsible, I can indicate without any doubt that the funding for such things as highways, airports, municipal infrastructure has been increased dramatically to the long-term benefit of our economy.

The Member did make the claim that the deficit grows and the surplus keeps shrinking. That is patently false. I can see that, from a point of rhetoric, the Member may have mistaken the facts of the case. The surplus over the last year had increased from \$45 million to \$62 million. The basic point of the money being transferred to Yukon in the first place was that we start developing our infrastructure. That was the point of the transfer from the federal government to the Yukon government.

I have noticed in this House that the Leader of the Official Opposition is speaking on both sides of the question. On the one hand, he says that he supports projects, he supports the spending. On the other hand, he feels that the government has developed a huge, bloated budget, in his words. You cannot have it both ways.

If the federal government transfers money to the territorial government for the development of infrastructure, it is our responsibility to develop that infrastructure. We have a record highways budget. We have a regional resource roads budget. We are improving airports. We are improving the infrastructure around the territory. The Member spoke his mind on the question of community infrastructure and said there should be less money spent on community halls. I will ask the Member, when we get down to Committee debate, which community halls he thinks should not go ahead. What community projects does he think are not worth the attention of the Yukon government?

I think that the Member is not in touch at all with the reality in many Yukon communities, where there is a desire for the development of infrastructure of various kinds. It is incumbent upon the government, if the government has been given a vote of confidence by the federal government in terms of transfer payments, to make that funding available to local community initiatives.

³⁸ It is not something the Leader of the Official Opposition supports but something this government supports. The Leader of the Official Opposition does make mention that there should be more money on road building. I would like to draw the Member's attention to a publication entitled RTAC Report, or something of that nature, by the Roads and Transportation Association of Canada, which cited the Yukon government for having put more money into transportation infrastructure development on a percentage basis than any other constituency in this country. It is a record that this Legislature should be proud of.

This government is spending money to create new wealth. This government is putting money towards better infrastructure. We are taking the money that is being given to us in trust from the federal

government and the people of this country to put toward infrastructure. If any individual Members opposite wants to make the case that the spending of this money is irresponsible then that person should stand and be counted before all the people of this territory, because essentially what he or she is saying is that the faith that the federal government had in this territory to develop this infrastructure was misplaced. That is something that all the people in this territory should be made aware of. The Leader of the Official Opposition, by calling this a bloated budget and by suggesting that we should not be spending this money in this way, is stating very clearly to the people of the territory that he has no faith in this government or the people to take these funds and develop the infrastructure for the betterment of the economy in this territory.

The Member tried to make the case that we were putting ourselves in jeopardy by taking the money that is transferred to us in trust to develop the infrastructure of the territory and putting ourselves in a tight financial situation. We are not doing anything of the sort. Of the \$45 million surplus we will still have, only \$18 million — contrary to the Member's figures — is tied up in lands. Incidentally, there are significant land sales, which will be reflected this year, that will draw down on the lands inventory. The remaining \$27 million is cash or short-term bank notes, 30 to 90 days. These are the facts. Does the Member want to listen to the facts or does he want to create his own. I am telling him exactly what the situation is.

For those of us who are in this House, I was a Member of the Official Opposition in previous years, and I remember quite clearly the financial position that this government was in, the tight financial squeeze that this government had put itself in, and I remember that every second week on a Friday the government was shut down because of the tight financial squeeze.

» Was that prudent, judicious financial management? The year end cash position of this government in 1981/82 was \$2 million. The year end cash position in 1982/83 was \$4 million. The year end cash position in 1983/84 was \$15 million. The year end cash position in 1984/85 was \$22 million, and the year end cash position in 1985/86 was \$43 million. The member has the gall to accuse this government of putting itself in a tight financial squeeze. It is ludicrous. It is patently false. The Members figures were drawn from pure fiction.

I will be prepared, when the budget comes down, to defend the small community projects, to defend the actions of this government which meet the aspirations of the communities in this territory, including the community of Whitehorse. I am going to ask the Leader of the Official Opposition which of those communities he is going to cut out, because he has obviously stated his priorities.

Less for them, the more for Highways, even though there is a record highways budget being presented before this Legislature. There is record funding to develop the infrastructure. I am going to ask him specifically which communities get cut out, which communities lose out in his scheme.

We defend this budget. We feel that the money put in trust to us by the Government of Canada, by the taxpayers of Canada, will be well spent. It will develop their infrastructure. Growth signs are in the economy despite the naysayers. This will support the growth of this territory. We will defend this budget. We feel these are necessary and prudent expenditures, judicious expenditures, and we will defend them down to the last dollar.

Motion agreed to

Bill No. 94: Second Reading

Mr. Clerk: Second reading, Bill No. 94, standing in the name of the hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 94, entitled *An Act to Amend the Home Owner's Grant Act*, be now read a second time.

Speaker: It has been moved by the hon. Government Leader that Bill No. 94, entitled *An Act to Amend the Home Owner's Grant Act*, be now read a second time.

Hon. Mr. Penikett: This is a delightfully simple measure, much less complicated than the other bill that we were debating moments ago, much less involved, and I should hope would require little debate and discussion in the House.

40 There are two principle objectives in amending this Act. The first is the transfer of responsibility of the administration of the Act from the Department of Finance to the Department of Community and Transportation Services. In order to do so, it is necessary to make the deputy minister of Community and Transportation Services the responsible officer under this Act for the receipt of grant applications. If passed, this change will take place on April 1, 1987, in order to coincide with the beginning of the fiscal year.

The purpose of the transfer is to replace responsibility for the home owner's grant programs in the department of the government that is already responsible for lands, housing and community development, where it will have a much greater degree of relevance and compatibility with existing programs than in the Department of Finance.

The second objective of this amendment is to delay by one month the deadline for the submission of home owner grant applications. At present, as you know, all such applications must be in the hands of the government by January 1 of the year following the year for which the grant is requested. In fact, we will accept applications after that date. If it has been mailed before the deadline there is no reason why another month cannot be allowed for the convenience of the general public.

It is proposed that this amendment come into effect on assent, so that applicants will be able to take advantage of this change for the current year — in other words, in the current calendar year, 1986.

I commend this measure to all Members of the House.

Mr. Lang: We have no problem supporting the principle of going from January 15 to February 15 for the purposes of ensuring people who are eligible for the home owner grant will be able to meet a deadline more to their time schedule, as opposed to the government.

I will have some questions over the course of debate in the Committee with respect to the decision to move the responsibility for the home owner grant from the Department of Finance to the Department of Community and Transportation. I would like to know what personnel are being moved over to the department in conjunction with it. It does take a significant amount of work for the application and the process that has to be undergone.

I find it more of a bureaucratic decision than a political decision, but I wonder why the change from Finance to Community and Transportation Services when Finance is really responsible for the collection of taxes and, subsequently, this is a reimbursement of taxes, if paid. I just have to wonder if this is less than a political decision or more of a bureaucratic fight that took place and somebody lost and somebody won. With the advent of computers and the access that is available through Finance, I wonder why we are going to Community and Transportation for the administration of the program. I would think the computer that is under the auspices of the Department of Finance should be the place that is eventually going to authorize the necessary cheques to the property owners throughout the territory.

We are not going to oppose the bill, but I think these are legitimate questions. I would like to know what the plans of the Minister of Finance are regarding person years and dollars. Too often, they are not discussed and in reality we are dealing with people who are involved in the administration of this, how it is going to affect them and their jobs, and also from the point of view of the property owner themselves. Is this going to complicate the system more, because there will be another connection with Finance that impedes or slows up the system for people who are eligible to get their payments.

These are questions I will have for the Minister during debate in Committee of the Whole.

41 **Speaker:** The hon. Member will close debate if he now speaks. Does any other Member wish to be heard?

Hon. Mr. Penikett: I would like to thank the Member for Porter Creek East for his comments. He raises the interesting question about whether it is a bureaucratic or a political decision, and sometimes it is very hard to make a neat distinction. He also asks whether this is a turf or if somebody won or lost.

It is a question which is fairly neat. As you know, we had a split

responsibility in the assessment and taxation area of this government, with assessment in Community and Transportation Services and Taxation in the Finance Department. There was discussion about the logic of a split responsibility in respect to the Home Owner's Grant and the decision about whether it should all come to Finance or all go to Community and Transportation Services. The Minister of Community and Transportation Services and I, both heavyweights, struggled mightily. I lost, and the function is going to be transferred to Community and Transportation Services. The Member opposite wonders about the implications for costs and personnel and the organization. I look forward to confirming this, but I think the total administrative cost involved would be that of one PY.

Motion agreed to

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 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 twenty minutes before proceeding with Bill No. 55.

Recess

Chairman: The Committee of the Whole will now come to order.

We will begin with Bill No. 55, entitled *Municipal and Community Infrastructure Grants Act*, clause 2.

Bill No. 55 — *Municipal and Community Infrastructure Grants Act* (Continued)

On Clause 2

Hon. Mr. McDonald: We are returning to clause 2. Before we begin, I would like to answer a couple of questions that were put to me yesterday with respect to the list of communities that will be recognized pursuant to this Act.

Of course, the cities, towns and villages would be blockfunded, and the hamlets and any future hamlets recognized as incorporated communities would be included in the list of communities that would be recognized in this Act. If Members have any views, or want to recommend any additions, we will entertain those as well.

The Member for Porter Creek East made mention of the effect on Faro debentures. One implication that I suspect was being made was that they were secured by Curragh Resources. I have researched the matter, and it does not appear that the Faro debentures are secured by Cyprus or its successor, Curragh. There is no record of a formal approval given by Anvil to approve the debentures, no formal record of any vote in the books from the Town of Faro or in the Government of Yukon as researched by Community Services.

There was a record of a meeting between the Commissioner, the town and Anvil in which this was discussed. Because the debentures were first taken on in 1969 and later in the mid-1970s, there is no way of, with any surety, of knowing what the actual circumstances were under which the debentures were taken on and the specific role of Cyprus Anvil at that time.

There is a general sentiment that Cyprus Anvil must have given their consent. There is no official record of how that consent might have been given or whether or not it was. The debentures, as far as this government is concerned, are not contractually secured by Cyprus, but if the debentures were drawn down through debt repayment, then all property owners, and certainly Curragh, would be a beneficiary of such a move.

It is incumbent upon me to move amendment to section 2 of the Act.

Amendment proposed

I move that Bill No. 55, entitled *Municipal and Community Infrastructure Grants Act*, be amended in Clause 2 at page 2 by deleting the entire clause and substituting for it the following:

Municipal infrastructure grant

2.(1) A municipal infrastructure grant fund shall be established each fiscal year in an amount equal to one percent of the total municipal assessment for all properties within all municipalities, as set out in the assessment roll under the *Assessment and Taxation Act*.

(2) In each fiscal year each municipality shall receive a municipal infrastructure grant from the municipal infrastructure grant fund as follows:

(a) a municipality with a population of 10,000 or more shall receive \$1,000,000;

(b) a municipality with a population of 1,000 or less than 10,000 shall receive \$650,000;

(c) a municipality with a population of 500 or more and less than 1,000 shall receive \$435,000;

(d) a municipality with a population of less than 500 shall receive \$375,000.

(3) After the payments under subsection (2), the balance of money in the municipal infrastructure grant fund for a year shall be distributed among the municipalities as part of the municipal infrastructure grant for that fiscal year pursuant to subsection (4).

(4) A municipality shall receive a percentage of the balance of money in the municipal infrastructure grant fund under subsection (3) equivalent to the percentage that the municipality's total assessment bears to the total combined assessment of all municipalities.

(5) Any additional money that may be appropriated to be given to the municipalities by way of a supplement to the municipal grant under section 8, shall be distributed among all municipalities, regardless of the municipality's population, on a percentage basis equivalent to the percentage share than an individual municipality's infrastructure grant bears to the total municipal infrastructure grants provided to all municipalities in that fiscal year.

(6) Except as provided by section 8, only one municipal infrastructure grant may be paid to each municipality in each fiscal year.

There is attached an appendix that, essentially, illustrates how the breakout would be.

Chairman: An amendment has been moved by Mr. McDonald. Is it necessary for the Chairman to repeat the amendment before we begin debate?

Mr. Lang: No, I do not think so.

Chairman: We will begin debate on the amendment.

Mr. Lang: I would ask that in respect to this particular document we have received, the total is \$7,245,074. I would ask how the breakdown is taken for the purposes of the present budget we are going to be debating. I believe the number is around \$9 million so obviously there is an increase of \$1.8 million. I would like to know how that, under the amendment, Section 2(5), would be the clause that would kick that in and perhaps he could illustrate to us how that \$1.8 million is going to be distributed.

Hon. Mr. McDonald: The Member is right, there is a supplemental grant this year of between \$1.7 and \$1.8 million. I have it here and perhaps I could read it and copy it for the Members.

Mr. Lang: Perhaps we could have it run off while we discuss the merits of the formula itself and then we could look at that. I would have thought it might have been provided prior to this so that at least a person could have some time to look at it because it is significant and it is going to have implications as far as the financing is concerned.

I would like to begin debate on the formula itself, the principle of the formula. I know that the Minister has worked very hard to try to come up with a compromise among the communities. I know there is still some hesitation among the communities as to whether or not it is a good thing and only time will tell.

I have raised my reservations in a number of areas, primarily from a point of view that we are almost to the point where we are providing money that the small communities must spend. My legitimate concern is, and I think the Minister shares this to some degree, is what the ramifications are going to be down the road as far as the financial largess of the government is concerned.

Do all these communities have the requirements for proper tendering of contracts? Is that going to be a requirement of these dollars? Are we going to see a situation in these communities where a real politicization of direction of dollars happens as opposed to a legal procedure for the purposes of tendering for capital projects? That is quite an onerous task, incidentally, for the smaller communities. Even the City of Whitehorse has had its problems. Any major facility that comes up for tender, we seem to have a public debate. I know the Member is going to attack me saying I should not be talking about the municipalities like this, but I am making some observations that some checks and balances have to be put into the system. I want to assure the Minister opposite that I think I can safely say that we share, to some degree, the philosophy and direction that he is going in. I just wonder if we are going a little too fast and too quickly with respect to what we are trying to accomplish.

⁴⁵ I do not like the tone of the debate where he accuses me, an ex-Minister of the government, of not being in favour of local control. I think the Minister knows that I was the one who filed the *Municipal Act* and the *Tax Issue Assessment Act* and all the other various fundamental pieces of legislation that give him the authority to act as a Minister. Overall, I think these are fairly good pieces of legislation. That is not to say that some of them do not have to be amended from time to time.

With the formula, I would have liked to have taken a little different direction. Perhaps time was not on the Minister's side, but there are a number of these communities that do not have the same facilities as other communities for a starting base. Namely, I think of Mayo and compare its standard and infrastructure to that of Teslin or Watson Lake. In many cases, we are comparing apples and oranges. With the direction we are taking and the magnitude of dollars, we are locking ourselves into a situation where some of these communities will never reach the same standard of infrastructure as other communities, such as Haines Junction. I think that should be of concern to all Members.

Perhaps it is my fault, and maybe the way that I delivered my speech was such that I seemed opposed to municipalities making their own decisions. If I did, I apologize for that connotation. I think it is important that we look at our communities in context with the infrastructure that is there and how it parallels other communities. Looking at what is taking place, I am pleased to see that one section is taking into consideration the question of O&M costs for these facilities. However, there does not seem to me to be guidelines as to how this is done. Maybe the Minister would like to comment on that. I got the impression that it was just a question of a day-to-day situation, and if they can turn the power on this year, then go for it. I think that there is going to have to be a few more checks and balances in this system so that we can double check and make sure. The government is going to have to keep an eye out and work with the communities to ensure that they are not going to put themselves in a situation where they have facilities that they cannot afford to run.

We have some beautiful facilities in Whitehorse, of which most were cost shared. That meant that the property taxpayers within the community paid a portion directly related to the capital costs and the city paid the ongoing O&M costs, over and above the transfer payments from the Government of Yukon, but I have to say that the taxes are becoming very onerous.

⁴⁶ It is not uncommon to have a tax bill of \$1,200. That is out of your net, ladies and gentlemen; that is not out of your gross income. Depending on the financial capabilities of the family in question, if there is, for undue reasons — unemployment or something — it can have a very major detrimental effect when you get over \$1,000 tax bill. I think it is something we have to keep in consideration. I think all Members of the House do. I am not saying this from a partisan point of view. I am not blaming the government

for the \$1,200 tax bill or anything like this. I am trying to demonstrate that there has to be some rationality or some rational look at the relationship between our property tax base and our ability to pay and our general taxation throughout the territory.

That is all I am saying and, to some degree, so were some of the comments made earlier. I am bringing a relationship into what we are doing and looking down the road as far as we can visualize in respect to the facilities that are coming forward.

I just want to express a reservation on the formula from the point of view of the communities and the relationship to the standards of those smaller communities with other communities. I just wonder whether we are actually going to catch up to the other standards of communities — standards in those communities that have reached a fairly high standard as opposed to those that have, in some degree, lagged behind. I think that that has to be taken into consideration.

Hon. Mr. McDonald: I want to express to the Member that I agree with him. I do not think that it is a useful exercise to cast back and forth accusations about each of our relative loyalty to communities. I think actions will speak for themselves in that respect. I will not pass any partisan judgment about that.

I understand many of the concerns that the Member is expressing about the prudence of taking this step. It is a significant step toward community control. The Member did mention and recognize quite accurately that there are some communities that start in different positions, in terms of the developed infrastructure within their boundaries. When we initially undertook to pursue block funding, we had to keep in mind the fact that some communities had better services, had more attention paid to them, so to speak, than other communities. No government can do everything to everybody at once.

Laughter

Mr. Lang: You are going to read that tomorrow.

Hon. Mr. McDonald: I better correct that right now. No government can do everything for communities all at once. Of course there were communities which felt they had been hard done by. Mayo was one of them with respect to expenditures that were put into them by the territorial government.

⁴⁷ I think that was a concern I, in part, shared, because I did have that same feeling as the Member representing the area. When we came to the conclusion that we wanted to move toward block funding, we had to contend with that fact that the jumping off point for all communities was different. Some communities had better facilities than others.

We spent some time going back through the records to try to establish spending patterns in communities for the past 10 years. We found that it was extraordinarily difficult to find any accurate information that would give every community the assurance that we knew exactly the expenditures that were provided in each community. It was impossible, as a matter of fact. We could not find all the figures. Obviously, in so doing, we met with communities who all said, with the exception of Whitehorse perhaps, that they had not had quite the attention they deserved. That is a natural position to be taken by all communities, and I would be surprised if a mayor did not come across with that position.

It is difficult to deal with a situation like that when you are trying to objectively determine the level of service in all communities. Another complicating factor we had to contend with was the fact that many communities had different priorities than others at a given time. Some communities, even though they might have been entitled to a certain class of swimming pool or recreation centre or water/sewer system, had chosen not to have that in favour of some other project they want. They have their own priorities. This is essentially the decision they had to make over the past years in consultation with the Yukon government.

So it is very difficult to find an agreed-upon starting point in our effort to move towards block funding. Essentially it was the general feeling that we abandon that approach and find another approach that would be acceptable to all the communities. Working up to the formula grant, we also recognized that some communities were behind on the major infrastructure projects such as water/sewer and sewage lagoons, et cetera. These projects were of such a size that the government had to continue to participate in those projects in

the interest of fairness to all communities.

We have allowed ourselves the latitude here to address inequities as they become clear.

48 I can tell the Member that I am very aware of the status of municipal infrastructure in all the communities. All the communities have made me aware of their own individual positions. We have attempted to address them in the formula. We have also assured communities that we will allow the government of the day to address the major infrastructure projects in those communities in the interest of fairness, to ensure that no community, over the long term, should feel that this government is treating them badly.

The Member for Porter Creek East did say that there needed to be some checks and balances in the system to ensure that the communities do undertake projects and do conduct their business in a professional business-like way. I can assure him that the *Municipal Act*, which does control that to a certain extent, is a fairly thick Act that does embody many of the guiding principles for municipal affairs. It will still be in effect. It is a fairly rigorous guide. We will watch our experience over the coming years with respect to the performance of this particular initiative to ensure that we do not get into any serious trouble.

I would like to state quite categorically, and I hope the Member shares my opinion, that there are taxpayers in each community, there are elected councils, who are responsible to those taxpayers, and those taxpayers will be charged with the democratic responsibility of scrutinizing the activities of their councils and deal with their councils at election time, if they feel that their councils are not acting properly or not acting judiciously enough.

I think we both respect the stature of those elected councils, and I am prepared to pass over some responsibility to them. They are fully aware, themselves, that the responsibility comes with accountability, and are prepared to accept a new state of affairs in municipal finance.

The Member made mention of the issue of Whitehorse taxes and the general situation in Whitehorse that, as a resident of that community, taxes are seemingly high and, in part, could be due to expenditures made by the community and obligations that are undertaken by the community to improve the quality of life in the city.

49 That is something that would be a matter of some concern or attention for the taxpayers of Whitehorse. I am hoping that this provision, in providing Whitehorse with sufficient block funding, will be of benefit to the taxpayers of Whitehorse in that we know that funding can be turned towards those municipal projects and can be turned towards Whitehorse's municipal debt, should the City Council choose to direct it towards that area.

The Member did touch on the issue of long term costs associated with capital projects. We have both discussed that many times in the House, and the territorial government is going to be more aware of the long term O&M obligations of capital works and the municipalities are going to have to be aware in order to be responsible. I think they are prepared to take on that responsibility with some degree of happiness. I am sure they are encouraged by the whole issue.

I would like to assure the Member that I am aware of many of the concerns that he raised. I realize this is a new step and a bit of a dramatic step, but there are checks and balances built into the system, and under this act the major check to any expenditure in a municipality would be the taxpayers of that municipality. They are going to have to play the democratic process and ensure that tax dollars spent in their communities are spent wisely. That should make municipal politics very interesting, perhaps even more interesting than they have been in the past.

Chairman: We will take that as a general debate on that amendment. **Mr. Lang:** On 2(1). I believe that it is a requirement that an assessment be done on an annual basis. What are your projections in the forthcoming three years, because it is tied to that assessment role as a percentage of a certain amount. Is it fair to say that we are going to see this amount ever-increasing because of this principle in the legislation?

Hon. Mr. McDonald: If the municipal assessments increase, then the base amount would increase. If that proved to be an

onerous provision in the opinion of the government of the day, it would be required to come to the Legislature and change that provision.

With respect to the annual assessments, we are working out with the municipalities a system that would allow for a representative assessment being done every year so that they are not faced with a new and different assessment every three or four years.

50 I think that that provision will help not only with this Act but also with other Acts, primarily the Act which allots the Assessment Equalization Grant. It will certainly assist in helping us determine all funds that are based on assessments, all funding programs, so that we will have an understanding of the amounts that will be allocated to a given community.

Chairman: Clause 2, section 1 is that clear? Let us have a little volume out there.

Hon. Members: Clear.

Mr. Nordling: In clause 2(2), I would like to ask the Minister how the population is determined. What is it based on? The difference between having 999 people in your municipality and 1,000 means \$200,000. How do we figure out the population of the municipality?

Hon. Mr. McDonald: Health care records are the generally accepted basis for determination of population. Clearly, there has to be some cutoff point, and we have established it here. We recognize that the difference of one person will mean the difference of some money in this grant. It is something that is accepted by the communities. Obviously, if they had 1,001 people versus 999, they would have their grant increased by so many dollars. That is an arbitrary figure that we all recognize that we had to come up with. It is a hard decision to make, but I can assure you that it is the consensus position of the municipalities and the Government of Yukon.

Mr. Nordling: I have no problem with there being a cutoff point there. There has to be. I wonder where it is dealt with, whether it is dealt with in this Bill or in the *Municipal Act* that you will be using the health care records? At what point during the year will you be determining the population for the purpose of the grant?

Hon. Mr. McDonald: The purposes of the formula are so that we treat all communities equally. All communities, whether we take the population stats from the summer, or winter, or spring, or January, or August, will be applicable to all communities equally. The stats figures — I cannot tell you off the top of my head, I do not know — would be taken, I would presume, at a time when they are generally taken for the purposes of determining funding formulas for municipalities for other purposes.

51 I do not know when they would gauge the population, but I could find out for the Member if that is a critical concern for him.

Mr. Nordling: Yes, I would ask the Minister to find that out. It would be interesting to find that out and I do not see the provisions for that. I suppose one of the sections tells us that this will be prescribed in regulations, is that what the Minister is telling me, yet to be determined?

Hon. Mr. McDonald: If there is any doubt as to when the population count will be taken then that will be prescribed in the regulations, that is certainly a possibility. It was not a concern that has been expressed to me before this.

Mr. Lang: I am looking for consistency from the Minister here about subsection (5) and (6). For example, with the \$9 million that we are being asked to vote for the financial year 1987/88, the money will be distributed as per this particular document that was tabled which basically outlines the distribution of \$9 million as per the budget depending on the date that is accepted by the Cabinet in the first part of April sometime, going back to the confirmation of what you told us yesterday that the municipalities would get the benefit of the interest that would accrue to them if their capital projects started later in the year?

Hon. Mr. McDonald: That is correct. The funding breakdown for the \$9 million is established in the last column of this tabled document and, as I told the Member yesterday, there are no major funding projects allocated in this capital budget that would fall under the funding that would be spent under Section 8. There are no major projects beyond the two-and-a-half times grant for any

municipality that are being funded in this next capital year.

⁵² *Amendment agreed to*

Clause 2 agreed to as amended

On Clause 3

Hon. Mr. McDonald: I have another minor amendment to table for the pleasure of Members.

Amendment proposed

It reads as follows:

I move that Bill No. 55, entitled *Municipal and Community Infrastructure Grants Act*, be amended in Clause 3(1) at page 2 by substituting the expression "in its financial records a separate infrastructure reserve account" for the expression "in a chartered bank in the Yukon an infrastructure reserve account".

Mr. Lang: Could the Minister give us a reason for the change?

Hon. Mr. McDonald: This amendment could be classified as a minor administrative change and is being undertaken following the request from the City of Whitehorse and supported by the Association of Yukon Communities.

The original intent of the section was to ensure that there was a separate accounting of the infrastructure block grants by each municipality. It was felt that this could be done through the establishment of a separate bank account. There was a feeling by municipalities that this would prove to be cumbersome for them to undertake the establishment of separate bank accounts, given the various additional accounting procedures that it would entail.

We have agreed to submit this amendment, instead of requiring the communities to establish a separate bank account, to require them to establish a separate infrastructure reserve account on their ledgers.

Mr. Lang: Are there any provisions, for example, if the City of Whitehorse or the City of Dawson, in their wisdom, decided that they would like to utilize the services of the investor in the Department of Finance for the purposes of investing their finances for a short period of time, like three months or whatever, to be able to tap into the resources of the YTG? Perhaps the Minister of Finance could comment on that. Rather than getting eight percent interest perhaps, for a period of time, they could accrue 12 percent interest or, in some cases, as high as 20, depending on the investments.

⁵³ **Hon. Mr. Penikett:** It is an interesting suggestion. I will take it under advisement. I am not sure whether there would be any legal implications for providing investment advice or even carrying out the transactions for municipalities. There are certainly means of making short term investments that would get better return than just leaving it in the bank.

It may be, given the amounts of money for some of them, and I know when I was an alderman for the City of Whitehorse that we used to do this, that by simply shopping around at the banks in Whitehorse, they were able to get quite attractive rates on short term deposits. To obtain the greater margins, you really do have to have, not only larger sums of money, but a continuing source of that money.

I will take the case under advisement and see if there might be any problems, legal or otherwise, with us providing the advice or acting as an agent for the local governments in that regard.

Mr. Lang: Could I take it that I have an undertaking from the Minister of Finance who will ensure that a copy will be sent not only to myself but also to the municipalities of a close examination of the various options that could be made available to them if they chose to avail themselves of the services for investment purposes.

It is important because we have a couple of months. If there are requirements to amend the *Financial Administration Act* or this Act, then it could be done fairly expeditiously if it is done within the next month or so.

Hon. Mr. Penikett: Yes, the Member has my undertaking to have a look at it. I want to look at both the financial question and the legal question. The matter of whether or not we can provide formal or informal advice may be a distinction that I want to explore too. I will report back.

Amendment agreed to

Clause 3 agreed to as amended

On Clause 16

Mr. Lang: Could the Minister report back to us on whether or not he did get the information on the possibility of putting municipal busing in the list of infrastructure programs that can be eligible for financing?

Hon. Mr. McDonald: I undertook to initiate that action today, to have the department look at adding capital projects associated with busing. I will undertake to give a response to the Member and to the City of Whitehorse as soon as we have come to some conclusions about that. When I get some background information, I will be happy to discuss it further with the Member.

⁵⁴

The Member for Porter Creek East wanted to know something about the regulation-making power under this Act and I did have legal counsel have a look at the section to determine whether or not there was anything more than a simple housekeeping regulation making power here. I asked him to keep the regulation-making power to a minimum and not wordy, and to keep it as necessary to carry out the operations of this Act. They did do a review of the regulations, primarily 16(c) and (d), which seemed to be the more general regulation-making power and they reported that 16(c) is broken down into two parts. One is a part that gives the Commissioner in Executive Council the regulatory authority to prescribe various things established in the Act to be prescribed and there are a number of examples of those things. Sections 4(2)(e) and 13(2)(d) speak to items that must be prescribed in the regulations.

The regulation-making section, 16(c), has a second part that they inform me is probably redundant largely because of the move to put the formula itself into the body of the legislation. There was a feeling at one time that this was a necessary part of the clause in order to empower the Commissioner in Executive Council to prescribe the formula. They now think that perhaps in this particular section this phrase is redundant and could be deleted.

Under 16(d), they are of the opinion that this is a pretty standard regulation-making section that covers generally the administrative procedures and the forms required in order to carry out the Act. It will also cover provisions of any Act, such as 7(1), 12(2) and 14, whereby the sections will be subject to regulation. This particular section, I am informed, is in 90 percent of all legislation.

I guess the upshot is that I would be prepared to remove the latter half of 16(c) to keep the regulation making authority here as lean as is necessary.

⁵⁵ I can assure Members there is no intent for the Cabinet or the government to do anything more than has been established in the Act. Perhaps when we reach 16(c), I can move an amendment there.

Chairman: Any discussion on 16(a) or (b)?

Then we have arrived at 16(c).

Amendment proposed

Hon. Mr. McDonald: I move that Bill No. 55, entitled *Municipal and Community Infrastructure Grants Act*, be amended in Clause 16(c) at page 7 by deleting the expression "or providing for anything required in this Act to be provided for in the regulations".

Mr. Lang: We appreciate the amendment coming forward. I did not raise the issue to be difficult. I am just concerned that when we are in legislation that we do not make it so broad that we prevent future governments or future politicians, no matter what their stripe, to have the latitude, in concert with their top civil servants, to do anything they want if the Act is that broad. That is one of the reasons we are in trouble in Canada. Our legislation has been written specifically and then it gives a catchall phrase and one can do anything they want without any public scrutiny or accountability.

We welcome the amendment, and we support it.

Amendment agreed to

Clause 16 agreed to as amended

Hon. Mr. McDonald: I move that you report Bill No. 55 with amendment.

Chairman: The Chairman was negligent in getting the title cleared.

On Title

Title agreed to
Motion agreed to

Bill No. 77 — Lottery Licensing Act

Hon. Mr. Kimmerly: This is a relatively simple Act. I will refresh people's memories about it. The intent here is to transfer the responsibility, which is found originally in the *Criminal Code of Canada*, that the government now has to a board of citizens. This is a responsible move, as it makes the issuance of licenses not at all subject to political pressure, which has been over the long-term past, and it makes the board sensitive to local, especially rural, needs, and community standards can easily be achieved.

⁵⁶ I had made a commitment at last sitting to file the regulations. I will do that. I intend to do that on Thursday. The regulations were drafted and updated and are essentially the regulations that we now follow. In keeping with the policy of the government to make regulations as well as acts written in plain and simple English, these regulations have undergone a substantial rewriting, and Members will be pleasantly surprised when they see them. They are indeed readable and understandable. We can make our own judgments about that, but I am confident that the very, very substantial improvement will be noticed immediately by knowledgeable Members.

I would anticipate going as far as we can and standing over section 11 until Thursday, if we do get that far.

Mr. Phillips: We do agree with the principle of this Bill. I am quite dismayed that the Minister has not produced the regulations today. He stated that there were very few changes. He has had since April 15 to make these changes, and I have to wonder why we are sitting here again and do not have the regulations before us. They are very important to this Bill, and we would like to have them here.

Hon. Mr. Kimmerly: I understand that, and I have explained that they were rewritten considerably, several times, and they will be ready. It is going to be the first time that a government has tabled proposed regulations, and it is an interesting experiment, an experiment that I support and spoke about in opposition. The regulations are completely irrelevant to the sections here, except section 11. That will be completely understandable after the Members see them.

I would propose to continue clause-by-clause except for section 11, and if there is anything at all that the regulations raise by way of new material or new questions, I solemnly undertake to answer those questions to the best of my ability under section 11.

⁵⁷ **Mr. Lang:** It is not the first time that the Minister says he has broken ground in tabling regulations in the House, or draft regulations. I do not have it off the top of my head, but I know over the past ten years there have been a number of pieces of legislation that the regulations were that all encompassing that many times they were tabled, at least as a draft. If I recall correctly, Occupational Health and Safety Regulations were circulated quite extensively because of the implications and because of the ramifications once they became law. I share that concern with my colleague, the Member for Riverdale North, on that matter. I find it difficult to believe we were supposed to be debating this in April and now we are told, after three or four days into Session, that the regulations still are not available eight months later, especially when the question of regulations was raised and it was going to be a question of debate and a major concern to at least this side. To stand up and say there was not enough time when this is one of the latest starting Sessions of all time to my knowledge so I find it very questionable.

On the principle of the bill, I wonder why there is not a principle in here that if there is not going to be a lottery, on the question of how we go about disposing of the prize or the requirement for security of the prize, all these things that are required if you go about having a lottery. All this basically does is set up a commission and leave everything to regulations. In essence, in the actual licensing act itself, there is no direct mention with respect to procedure or obligation of the institution or organization that is going to be carrying out the lottery and disposing of the prize. One of the reasons for this particular document, and for work done by the government, is because of the one time they were going to

dispose of a house and it never came to fruition. This is a number of years ago, and this is the background. I do not understand why you would not have important principles such as this in the law initially, as far as the legislation is concerned and then the procedure on how to dispose in the regulations. Make it a requirement by law in the legislation that a prize that is being put forward has to be there and secured and that type of thing. I would like the Minister's comment on that.

⁵⁸ **Hon. Mr. Kimmerly:** The Member essentially answered his own question. The only principle here is to set up the board. That is all that is intended. There is no legislation at the present time, although there are existing regulations. The regulations are pursuant to the federal *Criminal Code*.

That will remain after this bill has passed. This bill will only establish the commission. We are not putting into law at all the terms of various licenses, which are federally regulated under the *Criminal Code*, Section 190. That Act contemplates a provincial or territorial regulation that will still exist. The only principle here — it is a singular principle — is to set up the board. The other administration of the licenses is under a federal jurisdiction. The regulations are essentially under the federal jurisdiction.

Mr. Lang: Those regulations that are territorially enacted, do we not have the legislative ability to put it into our law as well as having the regulation? I would argue that we would.

Hon. Mr. Kimmerly: Yes, we do, but we have no intent to do so. We did not in the past, and we do not now. The regulations will continue to exist under the very narrow authority of the *Criminal Code*. We could pass those as laws by the Legislature, or regulations by the Cabinet. They are presently regulations, and they will exist in a slightly altered form in a more readable and understandable and accessible form, but the intent is the same.

This Act does not change them at all. The only change is to substitute the board for the Minister, which is now the case.

⁵⁹ **Mr. Lang:** I believe hockey pools come under the auspices of this Act. One of the members of the Force went about shutting down everything in town at one time, a number of years ago.

With the definition of a charitable organization under (d), will that now permit the Faro Hotel, for example, to have a hockey pool, which all people participate in. Is that going to ensure that we do not have a situation arise as we did in the past?

Hon. Mr. Kimmerly: I will be careful to not prejudge the decision of the board, but under section 1(d), we are referring to the advancement of athletic activities. It is not for me to say what will get a license and what will not. The principle of the Act is that a board of citizens will get that opportunity and that responsibility. It is my clear expectation that that citizen board will reflect the community wishes as far as is possible under the *Criminal Code*.

Mr. Lang: Is the Minister telling us that the rules will be different for the communities such as Watson Lake as opposed to Dawson City? He has never been quite that specific before.

Hon. Mr. Kimmerly: No.

Mr. Lang: I find it confusing. The Minister has asked for regulation making powers later on in the Bill. That permits the government to outline the terms and conditions of licensing and the management of lottery schemes, and the purposes for the profits. I assume that the government has the ability under that section of the Act to give some direction to how lotteries are going to be run. What is the Minister's position? Does he believe that organizations, primarily the bars and cocktail lounges that run these pools, should be legitimized as long as they are contributing a portion of their monies to recreational and cultural activities.?

⁶⁰ **Hon. Mr. Kimmerly:** The point is not what is my position, and I will not be trapped into stating some personal preference. The point is what is allowable under the federal *Criminal Code*. I will say that it is the position of the government that what is allowable ought to be broadly interpreted and interpreted by a board of citizens who understand the nature and the effect of lotteries in Yukon, especially rural Yukon.

Mr. Lang: I feel bound to pursue this a little further. The paternalistic comment that is being made here is that nobody in this House understands lotteries so we have to set up a forum with three people from the general public who understand it. I think everybody

has a clear understanding of how lotteries work, how they proceed. In many cases, I am sure there are Members in this House who participated one time or another in a lottery.

All I asked was if it is the intention of the government to take whatever steps they can to try to ensure that these particular functions, such as pools, can be continued in the rural communities where it is very important — I happen to know because I have been there — without fear of being shut down?

Hon. Mr. Kimmerly: Yes.

Mr. Lang: I thank the Minister. I asked the question half an hour ago and we went around the mulberry bush for half an hour. This side happens to believe in that as well.

Hon. Mr. Porter: I move that you report progress on Bill No. 77.

Motion agree to

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

Motion agreed to

Speaker resumes the Chair

Speaker: 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. 55, *Municipal and Community Infrastructure Grants Act*, and directed me to report the same with amendment.

Further, the Committee has considered Bill No. 77, *Lottery and Licensing Act*, and directed me to report progress on same.

Speaker: You have heard the report from the Chairman of 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 5:29 p.m.

The following Legislative Return was tabled November 25, 1986:

86-3-17

Fuel tax payable by Curragh Resources (Penikett)

Oral, Hansard pages 837 & 838

The following Sessional Paper was tabled November 25, 1986:

86-3-60

The Report of the Local Employment Opportunities Programme 1985/86 (McDonald)