



# The Yukon Legislative Assembly

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Number 53

3rd Session

26th Legislature

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## **HANSARD**

**Thursday, December 11, 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 Kassl	Old Crow
Art Webster	Klondike

## OPPOSITION MEMBERS

### Progressive Conservative

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

### Liberal

James McLachlan Faro

## LEGISLATIVE STAFF

Clerk of the Assembly	Patrick L. Michael
Clerk Assistant (Legislative)	Missy Follwell
Clerk Assistant (Administrative)	Jane Steele
Sergeant-at-Arms	G.I. Cameron
Hansard Administrator	Dave Robertson

**01. Whitehorse, Yukon**

Thursday, December 11, 1986 — 1:30 p.m.

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

*Prayers*

**DAILY ROUTINE**

**Speaker:** We will proceed at this time with the Order Paper. Introduction of Visitors?

**INTRODUCTION OF VISITORS**

**Hon. Mr. Penikett:** I would like to call attention to the presence in the Gallery today of a distinguished visitor to our Assembly, Senator Paul Lucier.

**Speaker:** Are there any Returns or Documents for Tabling?

**TABLING RETURNS AND DOCUMENTS**

**Hon. Mr. McDonald:** I have for tabling four documents. The first is the Report of the Auditor General on the accounts and financial statements of the Yukon Housing Corporation for the year ended March 31, 1986. As well, I have three studies commissioned by the Yukon Housing Corporation which are entitled, "Decentralization of Housing Experienced in Western Canada", "Yukon Housing Needs Study", and the "Future Mandate of the Yukon Housing Corporation".

**Hon. Mr. Penikett:** I have for tabling some legislative returns to questions asked by the following Members: the Member for Faro on the tax credit incentives; the Member for Kluane on taxes on the Haines Junction Road and, finally, the Member for Riverdale North on the DMs travel expenses and the Member for Porter Creek West on the Yukon 2000 printing, catering and studies.

I have, as well, for tabling a letter to the Right Hon. Joseph Clark, Secretary of State for External Affairs on the question of international relations and, as well, an extension agreement on the Memorandum of Understanding between the Council for Yukon Indians, the Government of Yukon and, hopefully, someday, the Government of Canada on the land claims.

**02 Speaker:** Reports of Committees?  
Petitions?

**PETITIONS****Petition No. 5**

**Clerk:** Mr. Speaker and hon. Members of the Assembly, I have had the honour to review a petition, being Petition No. 5 of the Third Session of the Twenty-Sixth Legislative Assembly, as presented by the hon. Member for Kluane on December 10, 1986.

This petition meets the requirements as to form of the Standing Orders of the Yukon Legislative Assembly.

**Speaker:** Pursuant to Standing Order 66, Petition No. 5 is deemed to have been read and received.

Petitions to be Presented?

Introduction of Bills?

**INTRODUCTION OF BILLS****Bill No. 68: First Reading**

**Hon. Mr. Kimmerly:** I move that Bill No. 68, entitled *An Act to Amend the Workers' Compensation Act*, be now introduced and read a first time.

**Speaker:** It has been moved by the Minister of Justice that Bill No. 68, entitled *An Act to Amend the Workers' Compensation Act*, be now introduced and read a first time.

*Motion agreed to*

**Speaker:** Notices of Motion for the Production of Papers?  
Notices of Motion?  
Statements by Ministers?

**MINISTERIAL STATEMENTS****Workers' Compensation Board — Rate of Assessments**

**Hon. Mr. Kimmerly:** It gives me great pleasure to advise you that the Workers' Compensation Board have decreased all 1987 rate of assessments by an average of 22 percent.

**03** This is due to the improvement in the capital position of the compensation fund arising from high rates of return on their investment. Also, in view of the size of the reserves and level of utilization in recent years, there will be no appropriation to the reserves for rehabilitation, enhanced disabilities and industrial disease.

The maximum assessable earnings per year for 1987, for each worker, has been increased from \$31,000 to \$33,000. This means that where a worker loses earnings because of work connected injuries, the worker is entitled to be paid for such loss up to 75 percent earnings to the maximum assessable earnings.

As industry will obtain a substantial benefit from the high rate of return on the investments by having much lower 1987 rates, injured workers will receive an increase in compensation. Dependents who are receiving benefits should also share in the windfall.

At present, benefits are \$747 per month for a spouse and a \$190 per month for each dependent child. It is our intention to increase the benefits to \$1,000 per month for a spouse and \$300 per month for each child.

**04** The combination of these benefit improvements, with effect from January 1, 1987, and the rate reductions for 1987 is the most equitable way to distribute the windfall from excess investment earnings, lower inflation and favourable claims experience among the two partners in the Workers' Compensation system.

**Mr. Lang:** We welcome the announcement by the Minister. I would like to bring to the attention of all Members who should actually get the credit for the fund being in the position it is today to give the rebates and the necessary increases to widows as well as children. That credit has to be given to one of our most respected people in the community: Mrs. Flo Whyard.

I was in this House in 1977-78 when there had to be a decision taken with respect to the Workers' Compensation Fund, whether or not it was going to be operating in the red or we were going to have a revolving fund that would be self-sufficient. Major increases were implemented at that time, for which Mrs. Whyard was responsible. She took the political outcry, which was tremendous at that time and, now, we are in the position today that the government of the day can come forward and say that the fund is in very good shape and we are in a position now to not only be self-sufficient, protected for any major disaster, but in a position to lower our rates. I think a lot of funds in Canada today are not in the position to be able to stand up and say to the public and workers and employers that they are in that financial position.

Some accolades must go to past and present board members who sit for a very small stipend on the Workers' Compensation Board and have to make very difficult decisions on a day-to-day basis.

**05** In order to ensure that the fund is properly managed, between themselves and the Executive Director, a lot of credit must go to them, as well, and I just want to say once again that we are very pleased to see the increase, especially for the widowers and the children involved as well as the fact that we are going to see a major decrease as far as the overall assessments are concerned.

**Mr. McLachlan:** This is indeed the type of announcement that governments like to hear and see and, in effect, if there is excess money that you can turn back to people it passes out more to those people who obviously need it. I would certainly hope that the new initiatives taken in the Occupational Health and Safety and Training Programs can continue to go a long way toward reducing the premium rates that we see here today even further.

**Speaker:** This then brings us to the Question Period.  
Are there any questions?

### QUESTION PERIOD

#### Question re: Agricultural land

**Mr. Phelps:** We have a few. I want to ask a couple of questions of the Minister for Renewable Resources concerning agricultural applications. There has been a tremendous backlog with regard to applications for agricultural land, that is, of 160 acres or more. I wonder if the Minister could advise us how many applications are outstanding and how many have gone through the process of ending up with land being actually granted by way of block land transfers from the federal government to this government and then on to the agricultural applicant?

**Hon. Mr. Porter:** As of November 1st, 1986, the department had 198 applications for agricultural land that were being reviewed. Of these, 62 were held up pending applicant contact or policy change, 25 applicants had cancelled their applications, 44 others had been terminated because the soil did not meet the eligibility requirements or that there were conflicts, and 25 applications have been sent on to the Department of Community and Transportation Services for processing, pending, in most cases, resolution of existing conflicts.

**Mr. Phelps:** I wonder if the Minister of Community and Transportation Services could advise us how many of those 25 have gone as far as FEDLAC?

**Hon. Mr. McDonald:** No, I could not give the Member that detail, but I could have it researched and bring it back to the Legislature.

**Mr. Phelps:** I understand that there was a meeting held this week on Monday night by a number of people who were terribly frustrated and upset with the fact that they have been waiting and waiting for their agricultural applications to go through. Can the Minister tell me if he is going to be meeting with the delegation from that group of persons?

**Hon. Mr. Porter:** The information that the Member has on the ongoing relationship between the government and the agricultural community is correct. I confirm that what he knows is the truth, and there will be a meeting tomorrow during lunch hour between myself and representatives of that group.

#### Question re: Agricultural land

**Mr. Phelps:** Yesterday during second reading of the amendments to the *Brands Act*, the *Highways Act* and the *Pounds Act*, the Minister spoke in terms of developing a new grazing policy for the Yukon including long term leases for individuals and community grazing leases. What has been done so far to identify areas for community grazing leases?

**Hon. Mr. Porter:** I do not have a great deal of detail on whether or not there have been lands identified. I have instructed the department to draft such a policy. Toward that end, I have met with the Yukon Outfitters Association on the issue regarding what the policy should address. Further to that, the APAC Committee met in Mayo on November 29 and discussed some of the contents of the draft policy that the department has in the works now.

**Mr. Phelps:** Our position is that we hope to have the policy initiative complete and ready for APAC's consideration by January 31.

**Mr. Phelps:** We have a Bill going through the Legislature right now. It is at the Committee stage. That Bill is going to create a lot of hardships for people who have too much livestock for the miserly portions of land they have been able to get so far.

Why did the Minister wait until approximately a month ago to meet with the outfitters, when this issue about animals at large has been ongoing with policy discussions taking place for well over a year in his department?

**Hon. Mr. Porter:** If we were to engage in political rhetoric as to why this or that was not done, the question would be why, when the Members were the government, they did not act on this question for many years. We inherited the problem, and we have done something about it. We told the public we were going to make decisions with respect to this issue, and we brought these decisions

forward. We brought groups together. We have had the items discussed in the relevant groups, and we have produced a piece of legislation.

We are a government that is going to do something about the issue. Maybe with some cooperation from the side opposite, we would get it done in a way that is of benefit to all people.

**Mr. Phelps:** There are people's lives at stake here. There are people who depend very heavily on their livestock for their work and for their job and businesses. Can the Minister tell us how many grazing leases are in process right and before FEDLAC to cover some of the people who are going to be adversely affected by the Bill that is going through the House right now?

**Hon. Mr. Porter:** The Member recognizes that there is a problem. We concur on that fact. We state for the record that we, as a government, are doing something about it.

With respect to the question that he raises that we are putting people in a situation that they will experience hardship by the proclamation of this legislation, it should be pointed out that if the Members read the legislation, the proclamation date of that legislation is left up to an Order-in-Council as to when Cabinet makes a decision. The questions that are left outstanding, such as the grazing lease issue, such as community grazing lease areas, the enforcement section, we are dealing with and hope that when we do proclaim the legislation those issues will be fully satisfied and that we would have action on those issues to the point where they can go in tandem.

I will research the question of grazing leases with the department. Once the department has responded to my request for the information, I will make that available.

#### Question re: French immersion

**Mr. McLachlan:** My question is for the Minister of Education. I am somewhat distressed by what appears to be a situation that we are heading for of a total breakdown of the French Immersion program at Whitehorse Elementary. It is obvious that the Minister's mishandling of the situation has created the problem now, where one did not exist before. What is he prepared to do to re-establish the working relationship between the two groups?

**Hon. Mr. McDonald:** I have not got a clue what the Member is talking about.

I really do not know what the Member is talking about.

**Mr. McLachlan:** Canadian Parents for French are very unhappy with the direction the French Immersion Program is headed at Whitehorse Elementary, and they are unable to make any progress through the school committee and through the principal toward resolving the problems. We have just set up Ecole Emilie Tremblay and the whole program has been working fine up until this month. Can the Minister not do something to step in, because so many French programs are at stake in this issue? Can the Minister not do something to step in and resolve the problem at Whitehorse Elementary between the parent organization, CPF, the school committee, the school principal and the Department of Education?

**Hon. Mr. McDonald:** For the Member's information, Ecole Emilie Tremblay is the school for what is formally the French First Language Program, which is separate and distinct from the French Immersion Program. The French Immersion Program and the English Stream Programs at Whitehorse Elementary are covered by a single school committee. Emilie Tremblay school committee is separate and distinct. I know that there have been tensions over the course of the last year-and-a-half, and those are tensions that have even been aired in this Legislature, with respect to the direction of the program and the resources that are being allocated towards the program.

I think that, in recent months, developments have it that the Education Council has invited Canadian Parents for French, the Franco Yukonais, and the Emilie Tremblay School Committee to a regular business meeting, which, I believe, is on January 17, at which I will be in attendance, to discuss matters related to French language education in the territory and, hopefully, particularly, as it relates to Whitehorse Elementary School as perceived by the people involved. The problems, as perceived, are many: some quite minor, some not so minor. Certainly, the tensions that have been felt have

been, in the past, significant tensions. I admit that, and I think that the government and, certainly, I have been trying to resolve them by keeping everyone involved in the process and keeping the information available to everyone so that we all know what we are doing. I think that, far from being mishandled, the system has been handled as well as can possibly be expected given the historic tensions there.

**Mr. McLachlan:** My concern, for the edification of the Minister, is that we have just had a full breakdown of the Yukon Commission on Indian Education and Training through what appears to be a problem in communication and understanding. There is certainly a concern that the situation could deteriorate further at Whitehorse Elementary.

**Mr. McLachlan:** Will the Minister consider doing a re-evaluation of the program? Will he do it sooner than scheduled to clarify this situation?

**Hon. Mr. McDonald:** The Member is trying to associate the obvious troubles the Commissioner of Indian Education and Training had with the problems that exist with the French Immersion Program in Whitehorse Elementary. He has suggested that I personally have mishandled the situation at Whitehorse Elementary and by extension have mishandled the Commission on Indian Education and Training. That would be a leap of logic beyond all reasonable bounds.

Ongoing discussion and the willingness of people to work together to resolve the problems is what is required. Everybody associated states that fact. I know that people have been concerned about the status of French Immersion. They have been concerned about the program itself, but we have tried our best to not only hear the concerns, but to respond to them in a positive way. We are committed to French Immersion education. We are committed to what was formerly called the French First Language Program and to French education generally around the territory. We are trying to do that through discussions with the Education Council and the French groups in the Yukon.

#### Question re: Agricultural Policy Advisory Committee

**Mr. Phelps:** We were engaged in a debate regarding the recommendations of the Agricultural Policy Advisory Committee. Has the Minister of Renewable Resources determined whether or not he will make these recommendations, which were based on public consultation, public by tabling them in the House?

**Hon. Mr. Porter:** I have checked this question out and have come to a decision. Prior to announcing the decision, I would like to quote the relevant section of the *Access to Information Act*: "There is no right to information under this Act where access to it or its release under Section 8(h) would disclose the existence or content of opinions or recommendations communicated to, between or from Members of the Executive Council on matters relating to the formulation of government policy and the making of government decisions."

In this instance, a Ministerial Advisory Committee to myself specifically made recommendations directly to my office regarding decisions ultimately made about legislative initiatives in the House. I would suggest that, in reading that portion of the Act, it is my understanding that that type of information shall not be tabled.

**Mr. Phelps:** There is more hiding and more secrecy here, more closed government. Is the Government Leader saying that Section 8(h) says that the Minister does not have the discretionary power to table the information in the House? Is that what he is saying?

**Mr. Phelps:** Is that what the Minister of Renewable Resources is saying, that the Act prevents him, that he does not have the discretionary power to table it in the House when asked? Is that the answer to the question because that is not what the law says.

**Hon. Mr. Porter:** Further to the clear language of the Act, the terms of reference for the APAC Sub-Committee as created by the former government, which is also the government that established the Act in law. Clearly the terms of reference state that the information conveyed by APAC or a Sub-Committee of APAC are confidential. So, with respect to the release of information, the content of that information is very clear.

If the Member, in his supplementary, would give me the

guarantee that the side opposite will not see this as a precedent, then I would be in favour of discussing releasing information to himself.

**Mr. Phelps:** We are asking, with respect, the Minister to do the right thing with recommendations that were drawn up after, we presumed, thorough consultation with the public: that is what we are asking. Precedent or no precedent, we are asking the Minister to table that information because the *Access to Information Act* in no way prevents him from doing so. Will the Minister simply table it? It is a discretionary thing that he can do. Will he table this information? We expect all this kind of information to be tabled when there is public consultation. Will he do it?

**Hon. Mr. Porter:** The contents of the information are of themselves not of a controversial nature, and I may suspect the Member may even have the information. If he does, I would like to hear that he does.

Regarding the fact of precedent though is one that I think has to be carefully examined. If we should be giving out information that is given to an Executive member as preparation for a Cabinet decision being made, then I suggest that it is a precedent that could be dangerously construed.

#### Question re: Agricultural Policy Advisory Committee

**Mr. Phelps:** This is almost fun, except it is pathetic. Here is a government that refuses to acknowledge precedent — that refuses to acknowledge precedent. Here is a government that established a clear precedent in this House by tabling all contracts, consulting and service contracts, and now they are quibbling over something they say might cause a precedent. Will the Minister just tell this House that he does not give a good damn about precedents?

**Hon. Mr. Porter:** I do not know why the Member is so upset he has to start using unparliamentary language in the House to the extent that he has. I find that unfortunate, but on the question of how government handles information that is information that is given to a Cabinet Member and is information that is relative to a decision being made by Cabinet. The question of precedent is a serious one, and I think that the Member should agree.

Why did the former government write the legislation as it did if it did not intend that information for Cabinet Ministers that is used to make a decision by Cabinet should be confidential?

**Mr. Phelps:** That is not even the issue. Is the government really saying that they are going to go around and consult with people and get reports and only table the reports with recommendations in them when they feel they are favourable to the government's position? Is that the position that the government is taking?

**Hon. Mr. Porter:** Definitely not. With respect to some of these recommendations, as I said in Committee last night, the legislation that has been put forward does adopt some of the recommendations that were sent to my office from the committee. The committee did its job. It made its recommendations known to me after it had conducted the process of public consultation. The terms of reference that set forward the existence of the committee has very clear language. This is language that was established by the former government. The minutes and the recommendations of the committee are confidential.

**Mr. Phelps:** None of that has ever, in the past or now, prevented the Minister from letting the public know what their consultation process resulted in. I ask the Minister not to hide behind this subterfuge and come clean. Why is he afraid to table the recommendations?

For the record, I do not know what they are.

**Hon. Mr. Porter:** I am not afraid. I have read the recommendations. There is nothing debatable about them. It is the question of the process. The Member is correct; there has been a public consultation process. Those recommendations that were then considered by the APAC, the APAC went on to make those recommendations to my office. As a result of that process, we have produced legislation for consideration by this body. The legislation is very clear. It has been tabled in the House. A decision had been made by this government, and we put forward legislation based on that process.

**Question re: Agricultural Policy Advisory Committee**

**Mr. Phelps:** We have a government here that tables report after report containing recommendations in them in this House, one after the other, after the other, with all the countless thousands and millions of dollars that they have been spending on consulting services. We cannot even get a list of those services, but report after report is tabled in this House at the discretion of the Minister, in most cases.

Why is the Minister departing from the practice? Is it because he has something to hide?

**Hon. Mr. Porter:** Clearly not. With respect to that question, there is nothing to hide. I told the Member yesterday I would check with respect to existing law on this question. I have gone through the Act and satisfied myself that the language in the Act is very clear. I raised the question of precedent, as it relates to further decisions that may result by a government brought about by further requests from the side opposite. With respect to that question, the law is very clear. The terms of reference are very clear. At this point, I am abiding by the law.

**Mr. Phelps:** That is just a falsehood. I ask the Minister if he is going to come clean on this. He has studied the law and found out that he can hide behind the law. Now he is hiding behind the law, because he is afraid to table these recommendations in the House. Is that not right?

**Hon. Mr. Porter:** That is totally wrong.

**Mr. Phelps:** Will the hon. Minister kindly tell me why he thinks that the law prevents him, in any way, from tabling the recommendations in the House?

**Hon. Mr. Porter:** The question that I have considered, as well as what is stated in the law, is a question of precedence with respect to further information relative to recommendations that may come to Cabinet prior to making a Cabinet decision.

**Question re: Agricultural Policy Advisory Committee**

**Mr. Phelps:** With respect to the last answer of the Minister, can he then tell us why all these other reports are continuously being tabled in the House upon which Cabinet decisions have been made or are going to be made?

**Hon. Mr. Porter:** I do not know what reports the Member is talking about. Is there a report that came forward as a recommendation to aid a Minister in making a decision regarding Cabinet?

**Mr. Phelps:** Almost everybody who has gone out to consult the public has come back with recommendations, and the report has been tabled in the House. This kind of faulty logic can be used in each and every case. All of a sudden, it becomes problematic, and the Minister has to voluntarily hide behind the provisions of the *Access to Information Act*.

**Hon. Mr. Porter:** If the Member will give me the guarantee that should he receive the information, it is done so with a view that there is not an expectation to establish a precedent under the Act, then I will consider making the information available.

**Mr. Phelps:** These things are done with public funds, with the taxpayers' money. We are operating on the premise that the taxpayer has the right to know what these reports are all about and with the input of the public. That is the position we take. If the Minister wants to table one report, and wants us to say we will never ask for another one when he has already got legislation he can hide behind, why does he not think about it a little bit, do the right thing and table the recommendations in the House?

**Hon. Mr. Porter:** If the advice is to think about it some more, I have no problem doing that.

**Question re: Watson Lake Forest Products**

**Mr. Phillips:** It is our understand that the Yukon government is directly involved in negotiations in purchase of Catermole Timber? Can the Minister of Economic Development: Mines and Small Business confirm or deny that?

**Hon. Mr. Penikett:** Yesterday I advised the House that I would take questions on that subject as notice, and I will do the same today.

**Mr. Phillips:** To the same Minister, as the Government Leader, the person responsible for the activities of this government, he must

know whether his government is in negotiations to purchase Watson Lake Forest Products or not.

**Hon. Mr. Penikett:** I will take the question as notice.

**Mr. Phillips:** I suppose we can assume the affirmative that the government is, in fact, negotiating the purchase of Watson Lake Forest Products. There is a real concern that there are many individuals in small businesses that are owed money by Watson Lake Forest Products. Can the Government Leader give this House assurance that these small creditors in Watson Lake will not be left out in the cold if the government purchases that operation?

**Hon. Mr. Penikett:** I took the previous questions as notice. I will take this question as notice. As the Member opposite will know, when I am privy to commercial transactions that may be involved in trying to assist the Town of Watson Lake and the industry, I will not be conveying any such information until such time as those discussions are complete. I will therefore be taking that question under notice as well.

**Question re: Watson Lake Forest Products**

**Mr. Nordling:** I have a question to the Minister of Economic Development also with respect to Watson Lake Forest Products. On the CBC news this morning it was stated that the feasibility study on Watson Lake Forest Products has been done for a month, that it was done for the Yukon Indian Development Corporation and that Judy Gingell stated that the study could be made public. Does the Minister have a copy of that study, and if so, could he table it in the House?

**Hon. Mr. Penikett:** I will take the question as notice.

**Mr. Nordling:** Yesterday the Government Leader said, "We, as a government, have been examining ways to assist the Watson Lake Forest Product operation to come back into operation." Can the Government Leader tell us if the Department of Economic Development, or for that matter any government department, has requested that the receiver not transfer timber rights along with any sale of the mill?

**Hon. Mr. Penikett:** I will take the question as notice.

**Question re: Yukon Housing Corporation**

**Mr. Lang:** I would like to address a question to the Minister that, I think it is safe to say that he stated a little earlier that he did not have a clue. I hope he has a clue on this particular question since it is front page news and one that causes us a great deal of concern and that is the question of housing. There was a major debate in this House with respect to how we could assist residents of the territory for home ownership. I refer to the headlines, "Housing Preparation Plans to Quadruple Number of Houses", and the statement is made that there is a five-year, \$72 million capital plan aimed to build and improve about 1,600 houses in the Yukon Territory over and above the 450 that the Yukon Housing Corporation has presently under its ownership.

**Question re: Capital Plan**

**Mr. Lang:** Is there a \$72 million five-year Capital plan that has been dealt with by this government?

**Hon. Mr. McDonald:** No. The Capital plan that has been approved by this government is the Capital plan that is currently in the Capital Budget book. That is the funding that has been approved by this government.

With respect to the Capital plan aspirations of the Yukon Housing Corporation, they would have to be approved by the government on a year-to-year basis.

**Mr. Lang:** Within the Budget decisions that were made this year, surely the \$72 million five-year Capital plan has been taken into account.

Is there a \$72 million Capital plan by the Yukon Housing Corporation that has been presented to the Government of Yukon?

**Hon. Mr. McDonald:** They have presented a Capital plan to the government, and the government has taken a decision with respect to the first year of the Capital plan. The results of those discussions have been made public and are up for consideration in this House through the Capital Estimates debate.

**Mr. Lang:** Has the \$72 million Capital plan been accepted in

principle by the Government of Yukon, subject to financial decisions each year?

**Hon. Mr. McDonald:** No.

**Response re: Northwest Territories offshore jurisdiction**

**Hon. Mr. Kimmery:** I rise to put on the record an answer to a question asked by the Leader of the Official Opposition earlier this week with respect to the court case involving the Northwest Territories jurisdiction in the Arctic Ocean.

The Yukon has status as an intervenor in this law suit. The law suit was adjourned, *sine die*, in the NWT Supreme Court on December 3, 1986, in order to enable the NWT government and the federal government to negotiate a settlement or negotiate the concern about the jurisdiction of the territory on artificial islands.

There has been no further development in that law suit since December 3, 1986.

**Question re: Faro social worker and human resource worker**

**Mr. McLachlan:** On many occasions, I have asked about the moving of the Human Resources office and the social worker from Faro to Ross River. Can the Minister of Health and Human Resources assure this Member and all of Faro that this move will only take place when the social development worker has been hired to fill the temporary vacancy in that community?

**Hon. Mrs. Joe:** I am not really sure at this time. I can look at the situation and come back to the Member with that information.

**Hon. Mr. McLachlan:** When I pursued the issue earlier in the month about an alcohol and drug worker for Faro, I was advised, in an answer from the department, that a probation officer is soon to be assigned to Ross River who had considerable counselling experience with alcohol and drugs. Is it a policy of the Department of Justice to have the probation workers who have a particular area of training also doing pinch hit work in that field for another department, in this case the Department of Health and Human Resources?

**Hon. Mrs. Joe:** Sometimes there are certain positions that we have that are two half-time positions. Very often there is someone who has the expertise in each of those areas. We have to do it that way sometimes.

**Mr. McLachlan:** No matter how you cut the problem or how you divide the responsibilities, the problems still remain the same in that, because they travel back and forth between the two communities, the amount of time that is left for each community is insufficient.

Will the Minister not consider the possibilities of both an Alcohol and Drug Worker and the Social Development Worker or the Social Worker in each community so that their time may be devoted fully to their work in each community instead of running back and forth between the two?

**Hon. Mrs. Joe:** I can certainly look at the situation, but the Member knows that situations like that would have to include an extra person year, and those person years are sometimes hard to get. I will take the matter under serious consideration.

**Question re: Select Committee on Renewable Resources**

**Mr. Phillips:** Can the Chairman of the Select Committee on Renewable Resources advise the House when the Select Committee will table its report in the House?

**Mr. Webster:** Thank you for the question. No, I cannot at this time. It will depend on when the report, which is currently in the offices of Arctic Star Printing, has been finished and has been delivered to the Committee. The Committee members, both of us, will meet to discuss that.

**Mr. Phillips:** Can the Chairman explain the reason for the delay in tabling this report? Why is it taking so long?

**Mr. Webster:** I would like some clarification on the meaning of delay. In my mind, there has been no delay in the tabling of this report.

**Mr. Phillips:** I understand that most of the work was done on the report a month or two ago. I am wondering why it is taking so long to get it printed.

In view of the fact that the Minister of Renewable Resources has

already made decisions regarding predator control, game ranching, live trapping, livestock control wilderness, et cetera, et cetera, all under the purview of the Select Committee and with the benefit of the Committee's advice, will the Chairman undertake to table this report in the House before the Minister of Renewable Resources makes the report totally irrelevant?

**Mr. Webster:** Yes.

**Question re: Yukon Housing Corporation**

**Mr. Lang:** I would like to go back to the Minister of Housing, which is now going to be his major portfolio. I would like to refer back to the \$72 million five-year capital plan, which is going to build or improve about 1,600 houses in the Yukon, in conjunction with the already 441 homes we have, which totals 2,200 homes that are going to come under the major portfolio the Minister is putting himself into.

Has the \$72 million five-year Capital plan been dealt with and accepted by the Yukon Housing Corporation?

**Hon. Mr. McDonald:** So much of the Member's preamble was hogwash. Certainly the assumptions that the Member has made as a result of misreading the newspaper article is something I would like to take issue with during the Capital Estimates debate.

I would presume that the Capital plan has been approved by the Yukon Housing Corporation board of directors. It has not been approved by this government.

**Mr. Lang:** Does this \$72 million five-year Capital plan, aimed to build or improve about 1,600 houses in the Yukon Territory, include the housing projects and housing starts to be built under Indian Affairs programs?

**Hon. Mr. McDonald:** I am not sure. I will have to check on that for the Member to determine whether the CMHC housing allocation would include those houses that would be undertaken jointly with Indian Affairs.

**Mr. Lang:** In view of the fact that the government has stated their intentions to get further into social housing, and in view of the fact that we have had publicly disclosed the fact that there is a \$72 million five-year Capital plan, which was not raised in debate when we discussed housing in the motion the other day, when is the government going to make a decision yea or nay, as far as this particular Capital plan is concerned?

**Hon. Mr. McDonald:** We will make the decision on an annual basis with respect to that particular allocation for a given year.

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

**ORDERS OF THE DAY**

**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 do now leave the Chair and that the House resolve into Committee of the Whole.

*Motion agreed to*

*Speaker leaves the Chair*

**17 COMMITTEE OF THE WHOLE**

**Chairman:** Committee of the Whole will come to order. We will now recess for 15 minutes.

*Recess*

**Chairman:** Committee of the Whole will come to order.

**Bill No. 7 — First Appropriation Act, 1987-88 — continued**

**Hon. Mr. Penikett:** I have had typed the person year information that was asked for by Mrs. Firth. I am having copies run off for all Members at this moment. In the interim, I would send across my one spare copy to the Member for Riverdale South.

**Mr. Phelps:** I wanted to carry on where we left off last night at 9:30. I wanted to go through some of these figures that keep getting bandied about. There seems to be confusion about some of them.

Am I correct in saying that, of the surplus land held for sale, was \$18,585,000 as of the date of the Public Accounts as at March 31, 1986?

**Hon. Mr. Penikett:** That seems to be correct.

**Mr. Phelps:** Would the Minister admit that those are not really what one would classify as current assets or liquid assets?

**Hon. Mr. Penikett:** Well, some of the land, of course, will be sold. There is a difference between land held by the government that is not for sale; that does not show as a surplus on our books. This is land that is intended for resale. Of course, I concede instantly that they are not going to sell \$18.5 million of it this year.

**Mr. Phelps:** There is a loan to the British Yukon Railway Company that stands on the books as \$1 million. Would the Minister concede that that is not a liquid asset?

**Hon. Mr. Penikett:** You mean the \$1 million the White Pass owes us?

**Mr. Phelps:** Yes.

**Hon. Mr. Penikett:** As you know there was an agreement at one point, which has not been closed, to trade that portion in land, which was hoped would be a liquid asset, given its location and value, but that transaction has actually not been closed yet.

**Mr. Phelps:** So, I take it then that it is actually much in the same category as the \$18,585,000 for land, is that right?

**Hon. Mr. Penikett:** I can see where the Member is trying to lead me, but whether it is exactly in the same category as the land I do not know. If the point is whether we can realize \$1 million tomorrow from us selling that note on the market, I would doubt it very much.

**Mr. Phelps:** Now we might move to long term receivables. In the books here, it says to see note 7, and that is for \$14,216,000. Would the Minister admit that that is not a liquid asset either?

**Hon. Mr. Penikett:** I am sorry. I may have missed all of the words in the question. Perhaps the Member could repeat it.

**Mr. Phelps:** I am referring to the same Statement of Assets and Liabilities as of March 31, 1986. It states under Assets, Long Term Receivables — Note 7 — for \$14,216,000. Would the Minister not agree that those long term receivables are not really liquid assets either?

**Hon. Mr. Penikett:** Let me save some time before the Member goes through every single item in the Statement. Our liquid surplus is the difference between the \$80.5 million shown in the current assets and the accounts payable of \$40 million. That means there is approximately \$40 million of liquid surplus at the point of this statement.

**Mr. Phelps:** That is one way of doing it. I would just as soon pursue this my way because my point was going to be that as of this statement, we would really have to look at adding: the land, \$18.5 million; the loan to BYN, \$1 million; and the long term receivables, \$14.2 million. It comes to \$33.8 million that are non-liquid assets for sure. Is that not correct?

**Hon. Mr. Penikett:** The Member is looking at one side of the ledger. As I just explained to him, the liquid surplus at March 31, 1986, was approximately \$40 million. I believe I told the Members previously that the point where we begin to become concerned about our reserve position is when we get to the \$10 million mark.

**Mr. Phelps:** I have difficulty with that. We have a surplus of \$62.3 million, and if one subtracts \$33.8 million from that, the liquid asset surplus would be more like \$28 million to \$29 million.

**Hon. Mr. Penikett:** I am sorry. The Member will have to repeat his question as I did not understand what he was getting at.

**Mr. Phelps:** I was making a statement. We are looking at the liquid portion of the surplus. If you take the surplus as it is on that statement, which is \$62.3 million, and subtract from it the \$14.2 million of long-term receivables, the loan for \$1 million and the land for \$18.5 million, those add up to \$33.8 million, and I get \$28.2 million liquid surplus as at the time of March 31, 1986.

**Hon. Mr. Penikett:** I will defer instantly to the Member opposite's vast experience in business and high-power transactions but, in my limited experience, you really cannot make the argument

the Member is making by looking at one side of the ledger.

To make the argument, you have to talk about netting the figures he talked about against the figures on the other side, including the provision for employee termination benefits, which we now have listed here at \$4.8 million, which is not under only the most extraordinary circumstances that you could ever imagine have to be paid out, because there are people leaving but there are also people coming to the government, working and contributing all the time; the unmatured debt, loans from Canada and other debentures, the Road Equipment Replacement Account and so forth. I submit that you cannot look at just one side of the ledger. I would go back to the Member's earlier point and say that the liquid surplus is approximately \$40 million.

**Mr. Phelps:** That would be so if you were not to have anything for those specific contingencies, but the government has decided to act in such a way that it does have those monies available for specified contingencies, and that is why they are on the liability side. Truly, that is the reason for it; they are commitments.

**Hon. Mr. Penikett:** They are liabilities that are booked, as are the assets on the other side of the ledger. I would guess there is a greater likelihood of us selling the land that we have in the bank than there is the money for the employee benefits being drawn down all at one time.

**Mr. Phelps:** Surely some of that is liable to be drawn down at any time, and that is why you have decided to set it up that way.

**Hon. Mr. Penikett:** It is being dropped down, but it is also being replenished continually.

**Mr. Phelps:** Whether one uses the figure that the Minister keeps trying, which would be certainly the most optimum figure, or uses the figure that I am determining, which would be in the other direction, somewhere between us would be the reasonable and practicable figure, which would be somewhere between a \$28.5 million liquid surplus and approximately \$40 million. That was at March 31, 1986. We understand that from that liquid surplus, this year, already, they are forecasting, unless for some reason they are giving false figures, a deficit of \$17 million, which would come from that liquid surplus. Is that not correct?

**Hon. Mr. Penikett:** Yes.

**Mr. Phelps:** So, that would leave us with a balance of approximately \$11.5 million in liquid assets or, on the Minister's figures, approximately somewhere between that and \$23 million. Right now, at the end of this year, it would appear that, if the forecast is at all accurate, we have drawn down our position so that we would have somewhere between \$11.5 million and \$23 million of a liquid surplus. Would that not be a fair way to put it?

**Hon. Mr. Penikett:** No. Given the volume of the lapses, which, I am sorry to say may be as much as a \$17 million deficit, if we do not succeed in spending the capital that was budgeted or, as we do under Formula Financing, not have overruns on the O&M side as we are not programmed to do, there will be lapsing money, which means that even the \$23 million figure, which the Member calls the high, is likely to be low.

**Mr. Phelps:** The problem that I have with all of this is whether or not the government is really talking in terms of reality with the Capital Budget. If there is that real belief that that huge amount or even a portion of the budget is going to be lapsed, why are they going through this exercise in giving us these figures. Could the Minister possibly answer that?

**Hon. Mr. Penikett:** There are two reasons. I am trying to prevent lapses, and I am trying to reduce the rate. I have occasion to look back over the years, and the proportion of lapses from every Capital and O&M Budget continues to increase, certainly since the *Financial Administration Act* has been in place.

I made this point the last time we talked about the budget. Since we have the very strong prohibition against overspending, which is one of the conservative features of the *Financial Administration Act*, there are almost certainly, in almost every department, going to be lapses of \$1.00 upwards on the O&M side. As the Member opposite knows from a lifetime's experience here, there will be projects, which, if they are one day or one month late, delayed by weather or material shortages, may not get completed as ideally scheduled.



I concede instantly that I am going to be trying to reduce, trying to take measures, to make sure that the Capital Program budgeted for is completed. There has been no government in the Yukon, nor is there any government in any province or one that has existed at the federal level, that has ever had a circumstance where there have not been some capital projects fall behind.

**23 Mr. Phelps:** I do not want to get into past history as I have not had the pleasure of drawing up budgets and presenting them in the House, but I am curious as to why we come forward with Capital Budgets, knowing that there is going to be some kind of a lapse. The Minister himself said that there is almost a percentage that you could put in there. We come out with a Throne Speech that talks about this huge job creation that is going to come about as a result of this huge expenditure on capital, and we do not have any disclaimer or cautionary note or any caveat that, in normal circumstances, one can expect such and such a percentage of money lapsing and an equivalent loss of jobs.

**Hon. Mr. Penikett:** It is a charming suggestion that we have a sort of Surgeon General's warning at the bottom of the Capital Budget Speech, and I will take it under advisement. I am not trying to be frivolous about the question. I understand what the Member is saying.

Even in my short time in this office, we have been doubly damned. I was damned last year for talking about a budget that was a deficit budget, principally, because we were budgeting for \$10 million for employee leave accrual, which was entirely a bookkeeping entry. We were doing that at the behest of the Auditor General and consistent with modern accounting practices, but, in fact, in terms of the expenditures, it was not a deficit budget at all. We were doubly damned for presenting a deficit budget, then have lapses at the end of the year.

Unless you do different budgeting methods, and some provinces do — some provinces approve Capital programs not on a year-to-year basis. The House gives approval to a project without saying how many years it may take to complete. That is a much more complicated budgeting process than we have. One of the things that recommends our process is that it is relatively simple and relatively elegant, from that point of view, in that, not only does the House get to discuss the project at the time it is originally proposed but, also, if it does fall behind there can be discussion about that every year when the Members come back, either for Supps or for a new budget.

We are dealing with budgets and these kinds of things with imperfect instruments. Let us look at the personnel side, — and we are not dealing with that so much in the Capital Budget — every year we may give approval to a department for a couple of hundred person years. Implied in that is the dollars for those person years. Every department, in the course of the year, is going to have vacancies. It is going to have people who are off awhile, so the net time of person year working months in the year, or person years years, would be much less than we budgeted for in almost every department.

**24** There would be, if you like, lapsing personnel dollars. That happens, and when we have new projects sometimes those are reallocated for useful purposes, but what the budget is is a proposal, a spending plan for a series of capital projects and capital programs based on the best estimates the public service can now provide on what it will cost to build and to put those things into place. We are going to exercise every control we can to make sure we do not have the kind of cost overruns that troubled this and other governments a few years ago, when we had some serious inflation problems. My colleague, the Minister of Government Services, has done an excellent job on keeping the lid on costs on some projects. It is likely for reasons of weather, commissioning, materials and whatever that not every project will come in on schedule. Some projects will come in under budget, hopefully. There may be other reasons why some things cannot go ahead. I am sorry that in a sense that the budget we proposed here does not present more accurately what will actually be spent by the end of the year, but my guess is that in the budget year that we have before us I predict to the House that there will be lapses.

**Mr. Phelps:** The problem I have with that, with respect, is that

we have on the Supplementary No. 2 the statement under column one that the projected current year deficit after approval of the supplementary is estimated to be \$17,187,000, which would be financed out of the accumulated surplus. I thought that was intended to be an accurate forecast, and I assumed an accurate projection, or as accurate as you could be. I would have presumed that you would have been taking into account some kind of forecast of lapses as well to make that projection.

**Hon. Mr. Penikett:** That is what we are doing. That is why the Member is referring to page one of Supplementary Estimates Number 2, 1986-87 and recall that we are talking about the relevant figure at the bottom of the page, the accumulated surplus as at March 31, 1986, the \$62 million that he was just asking questions about. The year previous was \$41 million — I am sorry I cannot remember precisely the accurate figure. That rose, in part, because of the lapses.

Let me just explain if I can. *Hansard* is going to go crazy when I try this, but I will try and explain graphically to the Member. When we have, in the classic Keynesian pump grinding, which I remember the Leader of the Official Opposition talking about some months ago, an accelerating of the Capital Program as a result of formula financing, there is a lag during which time the public service and the private sector can gear up to deliver that program. **25** Maybe wiser minds than us could have anticipated some of the problems, but we did not. There is a lag there. We come to a new threshold, or level, of capital expenditures. The lapses under that program will be larger at the front end than they will be at the end. In other words, we are trying to shrink the rate of the lapses. The O&M Budget that comes before the House this spring will, I hope, reflect the fact that we are able to manage the Capital program of the new threshold better than we were able to do in the first year.

Many people will understand that, given the time at which the formula financing agreement came in, we were not able to deliver the first year of what was possible under the Capital program, because there was not time to gear up, to put that money out and get those projects on stream. In some sense, it will take us a while to catch up.

**Mr. Phelps:** I appreciate all that. I must still come back to the point that if the projected current year deficit, after approval of the Supplementary, is estimated to be \$17 million, then if that is as accurate as it can be and takes these things into account, I am curious as to why we have the contrary statement that lapses will make it a much smaller deficit or add to the liquid surplus?

**Hon. Mr. Penikett:** I know the Member opposite is an extremely skillful lawyer, a QC, and so forth, but I think he will recognize the dilemma he is trying to put me in. If we were successful and delivered the program exactly as is budgeted and we did not end with the \$17,000,000 deficit, the Member would come back to me and say that I was misleading the House in the sense of creating this scenario. We are trying to present, in the financial sense, a conservative scenario of the forecast for the Budget.

**Mr. Phelps:** The \$17,187,000 deficit you are stating is an outside deficit; you really expect quite a healthy shrinkage because of lapses, is that what you are saying? That is what I understand you to say.

**Hon. Mr. Penikett:** Yes.

**Mr. Phelps:** So the \$17 million is not your best guess? It is an outside figure. Is that correct?

**Hon. Mr. Penikett:** Yes. If I can make a prediction at this point, the surplus at the point going into the next fiscal year will be very healthy. The surplus at the point when we are going to March 31, 1987, the day before this Budget comes into effect, will be very substantial.

**26 Mr. Phelps:** Do you have any more accurate projections of what the deficit will actually be with the lapses? Surely, we are close enough. We have gone through three-quarters of the year now. The Minister should be able to tell us what that deficit really ought to be so that we can find some comfort in that.

**Hon. Mr. Penikett:** I am going to be cautious and say that it will be \$17 million. I cannot guess what the surplus will be at March 31 next year or the revenue situation that the government will be in the next fiscal year without also telling him what the level

of the O&M Budget will be. That is something that I cannot do at this point.

**Mr. Phelps:** I do not understand that. I am curious about this deficit because it pertains to the year that will end on March 31, 1987. Then we will be able to compare this booklet with the one that is produced by the Auditor General showing the books as at March 31, 1987. I do not have to encourage the Minister to do the unthinkable and tell me what next year's O&M Budget is going to be.

**Hon. Mr. Penikett:** I am glad the Member is not going to do that. We have budgeted this \$17 million extract from the surplus; but I have to tell the Member that notwithstanding our efforts to try and get control of the lapses, I am sorry that there will probably be some, and I hope they will not be in the same percentage as they have been in recent years.

**Mr. Phelps:** That is an interesting issue that the Minister has raised for the second time this afternoon. I hope he will forgive me for not following it up in the first place. Does the Minister have the calculations that will give us some rough idea what percentage of the total Capital Budget was lapsed over the course of recent history?

**Hon. Mr. Penikett:** Yes, in crude form, I can tell the Member that in 1980/81, it was 12 percent; the next year it was 10 percent; the year after that it was eight percent; the year after that it was 14 percent; the year after that it was 15 percent; and, in 1985/86, it was 22 percent.

Inevitably, with those projects, most of that money was revoted in the next year, and the projects continued into the next fiscal year and became part of the budget for that year.

**Mr. Phelps:** Was any portion of those percentages from the historical past, of the empirical evidence that we have, factored into the forecast that gave us the projected current year deficit after approval of the supplementary at \$17,187,000?

**Hon. Mr. Penikett:** No.

**Mr. Phelps:** Moving on, and not being able to comment on much more on the deficit situation until we find all the lapses that are going to occur, I have a few questions pertaining to the government's position vis-a-vis negotiating an extension of the formula financing agreement.

Does the Minister feel that the medicare premium reduction to Yukoners of \$2.5 million to \$3.5 million, whatever it is, is going to have an adverse effect on those negotiations?

**Hon. Mr. Penikett:** No, because we bear the cost of it.

**Mr. Phelps:** I am curious about that because, in a climate where other governments are struggling, and the Government of Canada is having a great deal of difficulty bringing its deficit position under control — partially because of the wasteful years of the regime before it — I would think that any jurisdiction that is able to give away \$3 million a year might have some difficulty when it goes back to renegotiate.

**Hon. Mr. Penikett:** Part of the philosophy behind formula financing is that we become *maitre chez nous*, and responsible for our own financial affairs and making our own financial decisions. Every provincial government, even those with large equalization payments, and the two territories, all made tax decisions: raising some taxes, lowering some taxes. I am sure the federal government recognizes that these are our decisions to make in the interest of developing our own economy and our own society, and are supportive of that.

I am also sure that the federal government will recognize that, notwithstanding the reality that the formula financing that we benefit from in some ways does not give us an incentive to develop our own economy and generate more local revenues, this Legislature has spent, and is spending, money well and wisely in a way where we are not only developing our economy and reducing the unemployment rate and making it a more viable and self-sustaining community, but are, over the long haul, reducing the financial burden on the federal government in all sorts of ways, not just in the obvious ways of reducing welfare and UIC costs and attendant costs, but also in reducing the portion of the territorial budget that has been, and is now, their responsibility.

**Mr. Phelps:** We are going to be looking forward with eager

anticipation to the government's moves when the chickens do come home to roost with regard to the accumulated effect of the Medicare premiums and the other features we have discussed in the past. Be that as it may, I am seeking some information. Last summer there were some problems and words exchanged between the provinces and the federal government regarding the federal government's intention to reduce the transfer payment increases now through 1990. I recall that the Minister had a few things to say about that. I am wondering if he could tell us what the position is between the federal government and the provinces now with regard to that contentious proposal, namely to reduce the increase, to cut some billions off the accumulated transfer payments between now and 1990.

**Hon. Mr. Penikett:** I do know that it is a source of considerable tension between the provincial Ministers of Finance and the federal Minister of Finance and discussions are ongoing on that subject. There are some provinces that stand to lose very, very large sums of money under the arrangement. I am sorry I do not have any of the numbers at my fingertips. I can only say that the discussions on this question are in fact protracted and painful for some people.

**Mr. Phelps:** It may be protracted; it may be painful. I would have to correct the Minister on one point and that is that it is rather ironic that he speaks of a loss; it is a cutback in the increase each year, and I suppose that is one way of looking at the situation.

**Hon. Mr. Penikett:** I am perhaps mixing up two terms. In terms of the EPF and the post-secondary grants and the health premium, he is talking about a reduction in increase, but with respect to the equalization payments I think we are talking about, in fact, a reduction.

**Mr. Phelps:** I was talking about the other, but in view of the two initiatives that are being discussed, does the Minister of Finance have any apprehension about the way in which the federal government is looking at the formula financing agreement, and does he have any reason to suspect that their attitude toward Yukon would be any different, if they were going to be at all fair in terms of equity amongst jurisdictions, than it is with the provinces?

**Hon. Mr. Penikett:** We expect and demand, as a matter of right, fairness. Let me also say that in most of our dealings with the federal government, notwithstanding our differences, certainly on my own part, we have found we have very cordial and, on the whole, constructive dialogue. We had negotiations about many tough questions, and, on some of them, we are in sharp disagreement.

27 I would judge the state of the relationship between the Yukon government and the federal government to be quite healthy and quite positive.

**Mr. Phelps:** I am a little confused. If the answer is that they expect, or are demanding, fairness as a matter of right, does that mean that they are demanding the same kind of lower equalization payments and reduction in the increases of transfer payments that are going to be accorded the other provinces. Are they asking for those reductions in order that we are treated equally and the same as the other jurisdictions?

**Hon. Mr. Penikett:** I am really sorry that the Leader of the Official Opposition has such a low opinion of me that he actually thinks that I would answer the question in the way that he obviously would desire.

The NWT and the Yukon Territory are protected under the failsafe of the Formula Financing from these reductions. The Member also knows that in some point in the future, we will be provinces or something like them. Therefore, these financial arrangements between the provinces and Canada are a matter of interest to us.

The Member asks about the federal attitude towards us. I may say this discreetly. The other day in the House someone — I believe it was the Member for Faro — used the expression, "using it or losing it". I am not quoting anybody, but I believe that the view of the federal government in respect to the money provided to us under this formula, is that we obtained it on the basis that we had an inadequate and aging infrastructure, and that that is the purpose to which it should be put, namely replacing and improving that

infrastructure, improving our economy, improving our society, and bringing the quality of life of Yukoners up to a level that is similar to that enjoyed by the people in the provinces. If we did not use it for that purpose, and we were piling up huge surpluses, we would have a very tough time in the negotiations next round.

**Mr. Phelps:** I am interested in the word "failsafe", the Formula Financing providing "failsafe". What does the Minister mean by that? I thought that if there is a failsafe, it was the three year agreement that we negotiated. What does the Minister mean by "failsafe" after that three years is up?

**Hon. Mr. Penikett:** The revenues increase according to volume. The grants varies with the amount of locally generated revenue, to bring us up to the formula amount.

**Mr. Phelps:** The Minister did not really intend to convey that it is fail-safe beyond the third year of the formula financing agreement, which we negotiated.

**Hon. Mr. Penikett:** No.

**Mr. Lang:** I may be out of line, but my memory gets confusing at times, and with respect to the Capital Supplementary Budget that we have before the House, which relates to this one as well, why is there not any effort for those projects that have been completed to record them in the Supps for purposes of the question that the Leader of the Official Opposition was talking about, the overlapping of financing?

We are going to see a major readjustment in the spring, as far as the Budget is concerned. Was there a conscious decision in the preparation of the Budget not to provide the House with any decisions with respect to the question of projects that have been completed and could have been taken care of this Session?

**Hon. Mr. Penikett:** What the Supplementary does is request additional money or changes in the expenditure for other projects. They are all listed, line by line. The House, when they had the original Capital Budget, approved projects and amounts of money for those. Having approved those, there is no point in coming back to the House once or twice or three times to debate them all over again unless, of course, additional money is needed in the new year, in which case there will be a Supplementary. If the projects continue on in the next year, they will be in the Capital Mains for the following year.

**Mr. Lang:** Okay. In the Supplementaries, there is money for LEOP. The Minister of Community and Transportation has expressed his opinion — and I would like to get this clarified today, incidentally — that he does not have the legal authority to go ahead with the project until that particular amount of money is passed by the House.

Is his interpretation correct, or is it okay for the government to go ahead with the issuance of those dollars, recognizing it is still in debate but you still have line authority?

**Hon. Mr. Penikett:** I have a horrible fear that we are about to start a big debate on the Supplementaries even though we are on the Mains. My understanding of the situation is if one had approval for program X, and you brought a Supplementary before the House to continue program X but, for example, to put \$3 million of additional authority into it. Having had vote authority for program X and you had \$300,000 in your departmental budget, you could probably spend up to \$300,000, but you ought to be pretty careful about dipping into the \$3 million until the money had been approved by the House.

**Mr. Lang:** It still does not answer my question, and I think it is a concern on this side. I sent the Government Leader and the Minister of Community and Transportation Services a copy of a letter with respect to this specific issue, because it was raised in general debate with respect to whether a project was going to be ongoing or whether it had to stop. I would like to ask the Minister, although I recognize he is very careful, and rightly so he should be careful, is that particular program going to continue and will the applications be considered as they have in the past? What is the status of the program?

**Hon. Mr. Penikett:** I think we are getting into the Supplementary, and I think we should not.

The difference, if I may put it this way, is between line authority and appropriation authority. To use the example, the Minister has

line authority. It is a program which has been established. He does not have appropriation authority to spend \$3 million yet.

**Mr. Lang:** Then if that is the case, I am asking the principle of budgeting here and I bow to the advisor who is in our presence here, how can we spend money? I will use Yukon Hall for an example. They had no line authority; there was no vote or appropriation authority by the Legislature. How can that money be spent and then the government comes in here asking us to give authorization, in view of what has been said about LEOP?

**Hon. Mr. Penikett:** Could I take that question as notice and then we can return to the Capital Budget here?

**Mr. Lang:** I would like a straight answer to my question. On LEOP, is the government going to be proceeding with the program as in the past, or is the Minister of Community and Transportation Services going to stop payment until he gets appropriation from this House?

**Hon. Mr. Penikett:** One, there is nothing in this Capital Budget about LEOP. Two, we do not know the intentions of the Members opposite with respect to the budget. Our recent experience has not been very good, so if we look like we may be into a strategy of obstruction and delaying, all I can say is that we are going to be extremely cautious about spending money that has not been approved.

**Mr. Lang:** I want to get on the record. I will table the letter if that is necessary, if that is the game the Minister is going to play. We have indicated that, for that program, if it is necessary for a special appropriation, we will ensure its speedy passage. All I want to know is if the program is going ahead in view of the differences in our understanding of the vote procedure in the House. We are concerned because we would like to see the program going ahead. We do not want to see it stopped just because the supplementaries are going to be dealt with later.

**Hon. Mr. Penikett:** We are talking about the Capital Mains. It was clear a while back that the Members were filibustering the supplementaries. We now are dealing with the Capital Mains before the supplementary, which is contrary to what the original wishes of the Members were. Until that supplementary is approved, as the Minister of Finance, I am going to be very careful. I am going to tell the Ministers to be very careful about how that money is spent.

**Mr. Lang:** I am concerned about a government program that is very important to the communities. There was a great deal of debate about it here. I recognize the prudence of the Minister of Finance. In view of the assurances that I have given here, on behalf of my colleagues, and in view of the letter I have written, is it the intention of the government to proceed with that program. We do not believe ...

**Chairman:** Order please. We are discussing the Capital Budget, not the Capital Supplementary Budget. We will only deal with questions on the Capital Budget, general debate.

**Mr. Lang:** I am a little disturbed that I have not gotten a straight answer from the government. I recognize the prerogative of the Chair. I am concerned about political statements made that communities will be informed that programs are being held up because of the way the budget is being handled.

**Chairman:** Order please. We are on the Capital Budget.

**Mr. Lang:** I recognize that.

**Chairman:** Right now, we are considering the Capital Supplementary Budget. That is where that subject comes up.

**Mr. Lang:** I am not arguing that, but there has been an interplay, if you check the records regarding Capital Supplementaries and Capital Mains, that has been permitted in the past. Because the Government Leader does not want to discuss it, it does not mean that because of precedents in the past that it should be overcome. I just want an answer. I do not want to discuss the Capital Supplementaries. I just want to know if that program is continuing. I can do it in Question Period.

**Chairman:** Order please. I would imagine that the Minister would provide you an answer if that was the budget we were discussing at this time. We are on the Capital Mains.

**Mr. Lang:** Is there something going on that we do not know about? There seems to be something going on here, and I am quite concerned about it. There has been a legitimate question asked, an

assurance given in writing and an assurance given on the record on an ongoing program.

#### Point of Order

**Hon. Mr. McDonald:** On a point of order. There was a clear indication given by the House Leaders that we were going to be dealing with the Capital Mains. The information that the Member requests is clearly a matter for discussion under Capital Supplementaries. If the Member is going to choose any time he wishes to discuss anything he wants, that makes a mockery of the rules of this House and of this Committee. I would suggest that if the Member cannot find an opportunity to ask about the matter, he can bring it up in Question Period.

**Hon. Mr. Penikett:** On the same point of order. I do not know what game the Member opposite is playing, with respect, and I am not trying to provoke any kind of exacerbation. The Member opposite requested that we deal with the Capital Mains. We are dealing with the Capital Mains, as requested.

We do not know yet, judging by the performance in the House so far, what the Members opposite are doing with respect to the Supplementary Budget. The Member opposite has been around here long enough to know that you cannot go and say we will take one program out of the Budget and say we like that program, and then delay the whole Budget and tell the government they can go ahead and do that. That is not what we are about. We are discussing now the Capital Mains, not the Capital Supps. It was quite clear the other day that the Members opposite were not prepared to discuss the Capital Supps.

**Mr. Lang:** On the point of order, that was not clear. We were being denied information, and we were prepared to go ahead when we got the information. That was the loggerhead. You recall you were listening to the debate. I am not going to rehash the debate.

I want to ask further when I could ask the Minister, in view of my general question ...

**Chairman:** Speak to the Point of Order.

**Mr. Lang:** Do you want me to rule?

**Chairman:** If there is no further discussion on the Point of Order, perhaps I will rule that we are discussing the Capital Mains and the Minister has said he will undertake questions only on the Capital Mains. That is his prerogative, so we will continue in general debate, Capital Mains.

**Mr. Lang:** Going back to the initial question that started this off, the question of the Yukon Hall — I could have used quite a number of projects that vote authority over the course of this Session is being asked to be given on projects that had been undertaken, completed and the vote authority never given to the government. When can we expect an answer to that question, because I think it does relate to the total Budget and what we are dealing with here?

**Hon. Mr. Penikett:** If I understand correctly the Member's question, to which I have already taken notice, is about the distinction between line authority and appropriation authority. Depending on the long-suffering officials in Finance — but, I am sure during the weekend they can do it — I will be able to come back with an answer on Monday.

**Mr. Lang:** With respect to the program evaluation, you will recall that last Session there was a decision to go ahead with a program evaluation committee. I believe that there were some consultants who were employed by the government to assist in this particular evaluation.

Could the Minister just update the House where that is and if he is in a position to table anything, as far as Capital Assistance Plan is concerned, for one, and also the Job Retention Program, and a number of others?

**Hon. Mr. Penikett:** Of course that has nothing to do with the Capital Budget that is before us because program evaluation is an O&M item, but I will take the question as notice from the Member and provide, I believe it will only be, an interim report, but I do not think there are any completed reports yet for public information on program evaluation.

**Mr. Lang:** Just one point of clarification to the Minister. The

Capital Assistance Plan does pertain to the expenditure of capital money, does it not?

**Hon. Mr. Penikett:** Yes, the CAP program was under C&TS.

**Mr. Lang:** Then it does relate to the Capital Budget, am I correct?

**Hon. Mr. Penikett:** CAP does, but not program evaluation.

**Mrs. Firth:** I want to ask the Minister of Finance some questions about the person year outline that he gave us. There are a lot of trades people — the carpenters, electricians and so on, draftspersons — who are going to be hired, I know, on a term position for Government Services. Does the Minister of Finance feel that we will be able to fill all these positions at a local level, with local resources?

**Hon. Mr. Penikett:** We are going to do our level best. We wrestled with taking these people on but in the end we were persuaded that if we were to, in fact, complete our capital program — and you will note that these are term positions — we had to have these people in-house. We are going to do our level best to recruit locally. I must tell the Member — and when we get to the Government Services Estimate, I am sure the Minister will be able to speak more precisely — that where I am almost certain we will dry up the local talent pool very quickly is in certain specialized areas of engineering, and I am absolutely certain that we will have to bring in some projects people from outside.

**Mrs. Firth:** That causes some concern for me because I understand they are term positions. What does it involve when the government has to bring in an individual of that calibre, when we do not have the human resources locally, in financial costs to bring them up here, accommodate them, pay their way in and pay their way out, and that kind of thing?

**Hon. Mr. Penikett:** I do not think that is the nature of the program. In the case of engineering services, when we get to the Government Services Estimates the Minister can talk about this, but I imagine that if past experiences are anything to go by we will go to one of the consulting engineering firms locally that has offices. They may not have the person in the Whitehorse office who has the skills but they may have in their Vancouver or Edmonton office. We will contract with that local firm, and they will bring in whatever skills they need in order to do the work that has to be done.

**Mrs. Firth:** So I take it then that the government is not looking at having to accommodate people in hotels, houses or apartments to cover the term positions?

**Hon. Mr. Penikett:** I know of no case where we were contemplating doing that. If there are some that my colleagues are aware of, I will collectively have them take notice of that question, and when we get to dealing with the Government Services department, perhaps we can come back to it then.

**Mrs. Firth:** The concern I have is that I heard people say in some businesses that a profitable business to get into would be contracting with the government in renting fully furnished accommodations. Because of the lack of local resources because of the number of projects that are going on right now, the resources are becoming very limited — engineers and specialized help — that that would be an interesting business to get into. Is that just rumor or is the government looking at providing facilities for term positions or contract positions where people may have to spend a month or two in the Yukon?

**Hon. Mr. Penikett:** Not that I know of. I do know that the housing market is tight. In the summer season, which happens to be the tourist season as well as the construction season, hotel accommodation is tight. I would expect that even a consulting engineering firm that was bringing in someone from Vancouver still has to house them, whether it is us or them, the same demand is still placed on the local accommodation market. From what I hear, there are investors who are beginning to respond to those opportunities.

**Mrs. Firth:** So obviously, there is some talk about it being a need if investors are responding to it. I suppose the Minister would prefer I ask questions on the project supervisors for Yukon Housing Corporation when we get to that area.

He is nodding his head, yes.

I also have a concern about Community and Transportation Services. In the general context of the numbers of term positions that we approved in the O&M Budget for Community and Transportation Services, a lot of it was for contractual work and term positions. They are also getting a fairly hefty complement here. Can I get a rough estimate of what the total complement of person years within that department is now? It is a kind of capital O&M related question.

**Hon. Mr. Penikett:** I would like to take that question as notice until we do the C and TS Estimates, and the Minister could come back and give a detailed response to the Member.

**Mrs. Firth:** That is fine. I will come back to that.

Could the Minister responsible for Economic Development tell me what the two Economic Development Officers positions entail exactly?

**Hon. Mr. Penikett:** I will get into these when we get to Economic Development. There are a number of new programs here, which are Capital Programs and have to be staffed in order to deliver them. That is what they are for.

#### On Executive Council Office

**Chairman:** The Information appears on page 7 in the Schedule, breakdown on page 8.

General debate?

**Hon. Mr. Penikett:** I am going to save time and tell you everything I know about this expenditure. For Public Affairs, the increase is to allow for the purchase of an automatic 35mm photo processing machine for prints, with an estimated cost of \$15,000 to allow for an increase of production in response to demands from Archives generated by the public, a decreased dependency on firms outside the Yukon for large orders and to reduce the delay in responding to requests.

Secondly, to respond to fill an outstanding requirement for an indoor lighting system, maximum estimated cost of \$7,000. The current equipment makes indoor work very difficult — they cannot take promotional museum shots — and for equipment that will allow for an increase in the amount of work that may be done during the winter months.

The balance of the Capital there, \$6,000, is to replace equipment that is near or at the end of its useful life span: a photographic enlarger, estimated cost \$3,000; lens and camera equipment, estimated cost \$3,000.

Do you want me to do the Bureau stats at the same time, or do you want to do it item by item?

**Chairman:** We will move to page 9 where there are detailed expenditures.

*On Public Affairs*

*On Equipment*

**Mrs. Firth:** I have some general debate about it. I just want to talk about the objectives for a minute. The Government Leader talked about the objectives being included in the Capitals and how some of them were similar to the O&M and how some were not.

I have noticed a change in the objectives of the Executive Council Office this year, compared to last year. Last year's objectives stated all the same words: "basically to provide a wide range of services to the Executive Council of Yukon, in order to promote the orderly and efficient functioning of all matters pertaining to the executive arm of the Government of Yukon."

This year, the objectives states: "to provide the Executive Council and Yukon government departments with a wide range of services intended to promote and coordinate activities relevant to the provision of analysis, support and advice on all matters relating to the activities of the government as a whole."

Could the Minister responsible explain why it is now responsible for the whole government?

**Hon. Mr. Penikett:** Public Affairs does not usually provide services such as photographic services and media services to the executive arm, it provides them for all departments. The same also is true of the Information Bureau. It provides information, research and analysis for every branch and every agency in the government.

<sup>37</sup> That is also the case of the policy for Intergovernmental Affairs. Their service is really more directly for capital, but they also

provide some coordinating role for committees, including the Policy Review Committee and the DMRC, and analysis of Cabinet documents as they are coming in to make sure that — I do not have to explain to the Member — when, for example, a proposal comes from Department 'A' and it has implications for Department 'B' it is checked there. So, the services of this department are not just for the Cabinet as such but many other important services such as Public Affairs.

**Mrs. Firth:** Do I get the message then that the services of the Public Affairs Bureau have been centralized within the Executive Council Office? Is the Executive Council Office now a central agency for Public Affairs?

**Hon. Mr. Penikett:** The Executive Council Office has always been a central agency in that sense. Public Affairs has been a branch of the central agency and has always been playing a coordinating role, at least in my years here, in terms of photographic services in those past years.

**Mrs. Firth:** I believe, however, some of the departments had had quite a bit of public affairs responsibility and decision making. Does this mean that, say, when the Department of Renewable Resources and Tourism, and so on, want to do advertising and publicity and so on it all has to be centralized through the Public Affairs office now?

**Hon. Mr. Penikett:** It is still a service function. If the Department of Renewable Resources wants to put out a press release on bison there are people in public affairs to do it. I think the way it is organized is that there is one person there assigned to that department and they will help to draft press releases for distribution.

**Mrs. Firth:** I am talking about publications as well. What I am trying to see is if the Public Affairs Bureau has been centralized and who makes the decisions now. Is there still some decision-making authority within the departments for the kind of advertising, who the contracts go to, and so on?

**Hon. Mr. Penikett:** It is a coordinating function and it is also a service function.

**Mrs. Firth:** If it is a coordinating and servicing function, as the Minister was talking about, for policy papers and so forth that come from the other departments, would all of the policy papers that come from the other departments then be funneled through the Executive Council Office services?

**Hon. Mr. Penikett:** As a matter of fact it is not relevant to debate but we are, as Cabinet, reviewing the process by which the paper flows on Cabinet decision-making and Cabinet papers, but it is not Public Affairs that has any role here but the Policy and Intergovernmental Department funnel, final papers into Cabinet. They will check with the Cabinet document. I am sure the member knows that if it has financial implications, Finance expresses an opinion on it. There are PY implications. PSC has to see the paper and comment on it. If there are space implications, for example, Government Services will have to see it and comment on it. There may be implications for the Women's Directorate. It is that kind of role they play. They may also provide some central analysis from an intergovernmental point-of-view that no other agency in the government can provide.

<sup>38</sup> **Mrs. Firth:** What about the policy analysis? Seeing that it is consistent with the political direction of the government, is that the kind of function that would be done through this coordination?

**Hon. Mr. Penikett:** The policy analyst can range from all sorts of things. They try to analyze anything from what the federal government's reaction to this proposal might be to the implementation difficulties from the point of view of this community or that community, or the long-term implications of this policy on other policies. There are a myriad of questions that may be asked in good sound policy analysis, perhaps even anticipating the nature and quality of the public debate on an issue so that when a document goes to Cabinet it states the real options for Cabinet, not the bureaucratic options.

**Mrs. Firth:** Is it someone within the ECO who puts that real analysis on it, as opposed to the bureaucratic analysis?

**Hon. Mr. Penikett:** There are all sorts of people. In many cases, the ECO will simply check that it is done, or the analysis is

in there as part of their collating of this information. If the political analysis about the impact of some change in federal income tax, or federal budget or something like that has some bearing on something we will do, the analysis will come from the Department of Finance.

If there is analysis on some demographic trends, it will come from the Statistics Bureau. If there is analysis required on the likely economic development impacts, it will come from Economic Development, and so forth and so on. The job of the people in that office is to make sure that it is collated and assembled and, if they are missing pieces, to make sure that those pieces are found.

**Mrs. Firth:** That department is there in a coordinating capacity. It does not give direction to the policy wings of the other departments?

**Hon. Mr. Penikett:** That is through the Cabinet Secretary, who is the Deputy Minister. Cabinet's wishes will be communicated to the departments. It is not Executive Council who is giving the orders. Cabinet will be giving some orders. There are many things, especially in modern government, where it is not simply a question of the Minister communicating with his own department. We have many projects that involve two or more departments. Therefore, the communication of a decision or Cabinet's wishes or requests have to be coordinated.

**Mrs. Firth:** I am sure the Minister knows I am trying to track where the formation of policy is going to be and where the direction is going to be given. I want to know whether it is going to come from the departments to the ECO, or if the direction is going to be given from the ECO to the departments.

**Hon. Mr. Penikett:** I guess that 90 percent of it will come from the departments, but it may originate with the Minister saying what he/she wants done. For example, I recently presented a Science Policy to the House. That happened to be a project that came out of the Executive Council Office because there was no other agency in this government that could originate that kind of thing.

**Mr. Lang:** My question goes back to contracting and the authority vested with the government through the contract directives under section 11(1) of Consultants Services Contracts. Have there been any decisions made in the past year on the exemption of contracts by Management Board under section 11(1)? If the Minister does not have that information, I would appreciate it being provided.

**Hon. Mr. Penikett:** I will have to take that question as notice. I do not know the answer to it.

**Mr. Lang:** I am specifically referring to section 11(1), and I will not pursue it any further. Just so the Minister of Government Services is aware, "Before any consultant service contracts are entered into, the contract authority shall invite written proposals except where a) the work is such that delay would be injurious to the public interests; b) the estimated cost of the work is equal to or less than \$25,000; or, c) the contract has been exempt from the requirements of this section by Management Board", which is appended to ECO. I would just like to put the Minister on notice.

**Mr. McLachlan:** We are spending about \$28,000 on additional camera and darkroom equipment. In situations where the government sends an official photographer abroad to record, for the annals of history, the functions he/she was sent for, MLAs will often get requests from constituents who have, during the course of that function, happen to be snapped or recorded — they would like a permanent record of their mother, sister, brother-in-law or little Jenny — are we free to go to the official government photographer and request that type of response?

I ask the Minister if that within reason. I am not talking about 100 photographs to put in Christmas cards. We often get these requests through the official government photographer's office.

**Hon. Mr. Penikett:** It will be a frosty day in May before I send a photographer abroad. I will tell you that. When I was in Opposition, I had someone come to me once and complain that they had asked to buy prints of photographs taken by a government photographer. I thought that was reasonable. I talked to the people, and in those days you had to ask the Minister's permission if you wanted to talk to a public servant if you were in the Opposition.

I got permission, and I was told that the reason that the

government prohibited this was because the government photographers did not want to put themselves in a position of being in competition with private or professional photographers from the private sector who may also be available to take such pictures. That was the basis of the policy. If the Member is talking about a reasonable press picture of some friend of his who happens to be next to him at an opening and happens to be caught in the picture, I do not know how we deal with that. I will take the question under notice and see if there is any reason to review it. It sounds innocent enough, but I do know that there is trouble here. In the back of my mind are a couple of experiences going off that are beginning to twinge my memory that suggest to me that maybe we have to be pretty careful about this.

**Mr. McLachlan:** I am not party to the sinister dealings of previous governments. May I clarify that the request was made in a particular situation where the person was not old enough to vote. I just want to let the Minister know that we do get these requests. The official photographer was not sent abroad. He just happened to be there for a function. They are not sent abroad for sinister purposes or anything. These requests are made many times to the rural MLAs from people who do not know the niceties of the argument that we are expressing right now.

**Hon. Mr. Penikett:** I will take another look at it.

**Mrs. Firth:** I will come to the Government Leader's defense. It is a very complicated issue, dealing with photographs and whether they should be given to the public or not. I am sure, when the Government Leader comes around to establishing a photograph policy within this government, he will find it is even more complicated than his wildest imagination could imagine. As the previous government, we tried to work on a photography policy, and we never did get one finalized because we could never get agreement from the civil servants or the photographers or whoever had access or claim to the photographs from the Tourism Department, Heritage Department, Public Affairs Department. Everybody has photographs. The public donates some and nobody wants to give them up unless you pay thousands of dollars for the rights to photographs. It is a very complicated issue and not as easy to answer as the Member for Faro may think. The Government Leader owes me one now.

*Equipment in the amount of \$28,000 agreed to  
On Bureau of Statistics  
On Equipment*

**Hon. Mr. Penikett:** These costs are intended to be incurred in the purchase, storage and access to electronic and microfiche statistical data. Funds were used to purchase software and microfiche readers, storage units, microfiche and special census unpublished information. These are long-term assets with life expectancies of more than a year.

**Mrs. Firth:** Do those microfiche contain sensitive information, or personal information about businesses?

**Hon. Mr. Penikett:** In some cases, I think they do.

**Mrs. Firth:** Can the Government Leader tell us what kind of precautions he has in place so that that information cannot be accessed?

**Hon. Mr. Penikett:** I will take this question as notice, and I hope the Member will understand when I tell her I know practically nothing about this at all.

**Mrs. Firth:** This is my concern. I will tell the Government Leader. We just had the incident in Ottawa with all the income tax. In the meantime the government Statistics Department is in the process of sending out forms and questionnaires to business people. I get a lot of phone calls from business people saying, "Should I answer these questionnaires; why do they want to know all this information?". In trying to encourage the business community to provide the government with the information about the numbers of employees in their business and so on, you like to give them some reassurances that it is not going to be accessed just by anyone for any use. That is my concern.

**Hon. Mr. Penikett:** I will come back to the Member with a detailed answer. This is a serious question, and I think it is a responsible question. I will only tell the Member I am persuaded that the people in this operation are extremely professional people

and operate according to the standards that operate in Statistics Canada and other serious agencies. That may not satisfy the Member, but I will come back with a detailed answer.

*Equipment in the amount of \$16,000 agreed to  
On NOGAP*

**Mr. Lang:** I know it shows up later in the budget as well. I am assuming that there is no money for NOGAP, and there is not going to really be anything done in this particular area in view of what has happened on the Beaufort Sea. Is that correct?

**Hon. Mr. Penikett:** Not in this department, I do not believe. There is some NOGAP activity under Economic Development, that is finishing or something. I will explain that then.

*Bureau of Statistics in the amount of \$16,000 agreed to  
Executive Council Office in the amount of \$44,000 agreed to*

**Chairman:** Before we begin general debate on Department of Community and Transportation Services, we will recess for fifteen minutes.

*Recess*

**Chairman:** I now call the Committee of the Whole to order. Community and Transportation Services, general debate.

#### **On Community and Transportation Services**

**Hon. Mr. McDonald:** I will read the remarks that I have prepared, then we can discuss the budget. The budget before you does not include the Yukon Housing Corporation. Following recommendations made by the Public Accounts Committee, we have decided to have a separate vote for the Corporation. That decision was in accordance with the Public Accounts Committee recommendation.

You will also note that the Budget was rearranged to more closely reflect the O&M Budget structure. Therefore, funding is identified by program and by sub-program. For instance, transportation is now shown as a program; sub-programs such as the highway construction and regional resource roads program are identified. The purpose is to provide better, more easily understood, information to the Legislature.

I also passed out a very detailed summary of Capital Estimates, community by community, early last week, which is more or less the same sort of thing that I did last year, but in a more detailed fashion than before. As well, I undertook to have a map prepared indicating the highway construction projects proposed for next year. I have understood that it is sometimes difficult to visually understand what is going on if we only have the Estimates in front of us and are being given verbal information. I felt that the information contained in the map will help Members understand what is proposed. I can explain the map.

I would like to outline the department's \$56 million Capital Budget for 1987/88. You will note that the \$56 million expenditure is partially offset by recoveries of about \$17 million. Thirty-one million dollars has been allocated for improvements to the transportation infrastructure that links communities and provides access to resources. The Klondike Highway will see reconstruction and BST application in the Carmacks area and on the Stewart-Dawson section. Reconstruction of the Tagish Road will continue. Spot reconstruction of the Silver Trail will be undertaken.

The Regional Resource Roads Program, a new initiative offered in 1986/87 will be continued; \$2.5 million will be provided under this program to stimulate resource development. This program is of great assistance to the development of mining, tourism, agriculture, forestry, fisheries and other sectors. The government will continue to improve the maintenance camp facilities throughout the Yukon. In 1987/88, major projects will be undertaken in Beaver Creek, Stewart Crossing and Swift River.

<sup>43</sup> These projects will improve living and working conditions of our highway maintenance employees and will result in O&M savings.

Under the Engineering Services Agreement, \$11.3 million is expected, of which \$7 million will be spent to upgrade the Skagway Road section of the Klondike Highway, with the remainder being allocated to the Dempster Highway.

The airport runway, taxiway and apron in Old Crow and the purchase of a snowblower for the Faro airport will be carried out with Transport Canada funding. Minor upgrading items will also be done at various other airports. The Dawson Airport Location Study is currently under review. Depending on the outcome of this review, further steps will be taken in conjunction with Transport Canada to improve airport facilities for the Dawson area.

In order to make land available to Yukoners, we have provided \$5.7 million in the Lands budget. The McIntyre-Hillcrest Subdivision infrastructure and paving will be completed and the west lanes of Hamilton Boulevard leading to the subdivision will also be paved. This will comply with the Kwanlin Dun Relocation Agreement.

We have addressed the need for low-cost rural residential homestead land by providing \$200,000 for territory-wide selection in design and construction of minimal standard access roads. A further \$130,000 is allocated for this purpose in the Whitehorse and surrounding area for two specific sites.

We have identified \$220,000 for the development of agricultural land throughout the territory. Industrial land development will be undertaken at Beaver Creek, Dawson City and Whitehorse. Recreational land development will be done at Pine Lake, Braeburn and Mayo. Country residential land development will be done at Dawson City and Whitehorse. Rural residential land development will be done at Dawson City, Mayo, Haines Junction and Whitehorse, and residential land development will be done at Beaver Creek, Haines Junction, Watson Lake and Whitehorse.

Community and subregional planning will continue to be a further thrust of the Lands Capital Program. We have provided \$19 million for the Community Services budget to reflect a major commitment to improve the life of Yukoners. In particular, we have introduced capital block funding arrangements, as Members know, through consultation with the Association of Yukon Communities and other parties.

This funding arrangement will assist Yukon communities in the development of their communities and will foster local decision-making. In addition to the \$9 million provided under the block funding arrangement, the Community Affairs budget allows for anticipated expenditures for projects not included in block funding, such as the \$3 million dike in Dawson City.

Some projects for unincorporated communities are a fire protection training room and water storage facility at Beaver Creek; preparation of streets for bituminous surface treatment in Burwash Landing; the Carcross Indian Village at Pelly Crossing; BST application to selected streets in the Carmacks Indian Village, and to Hume Street in Haines Junction Indian Village; the continuation of riverbank erosion protection in Old Crow and Upper Liard; construction of a curling rink in Elsa; construction of a community centre in Pelly Crossing; completion of the arena in Ross River; construction of a new ambulance station in Whitehorse; and paving of Mountainview Drive.

In order to maintain the VHF system, provisions have been made to allow for the replacement of equipment. Funding has also been allocated to extend and improve radio and TV services in outlying areas. For example, Upper Liard CBC TV service will be improved by the installation of satellite equipment.

<sup>44</sup> I would be more than pleased to answer any other questions with respect to the budget. I tried to anticipate most questions through the provision of information already provided, but I realize and recognize there will be a number more.

**Mr. Lang:** Could the Minister update us with respect to the negotiations on the airports B and C, as well as A, with respect to the Government of Canada, which was a policy area the Minister was addressing the last time we met?

**Hon. Mr. McDonald:** Firstly, the discussions between this government and the federal government regarding the transfer of B and C airports are just beginning in formal sessions. There have been meetings throughout the year between administrative people to discuss how the B and C airport program would be transferred between the two territories. The A airports are not under consideration at all, those airports being Watson Lake and Whitehorse. Any discussion on those two airports will be undertaken pending a

review of all federal airports in the system. The federal government, to my understanding, has completed a study on the privatization and local transfer of A airports and that study is now only under discussion between governments.

Negotiations for B and C airports formally start this week.

**Mr. Lang:** Just for the record, the Government of the Yukon Territory had said it is not prepared to discuss the transfer of A airports, is that correct? That is a policy decision the government has made?

**Hon. Mr. McDonald:** The offer of the airports has not been made to the Government of the Yukon. There are a number of issues that would have to be resolved before we would take a formal position on that matter. It would depend very much on what the character of the offer would be. We have not, for our part, requested a transfer of Watson Lake and Whitehorse airports.

**Mr. Lang:** Then I take it that the policy decision is that unless the federal government approaches the Government of the Yukon you are not interested in taking over the responsibility for the Class A airports?

**Hon. Mr. McDonald:** We have taken no decision with respect to A airports, and we have no plans in the future to request A airports, or to even review a request for the transfer of A airports.

**Mr. Lang:** Could the Minister update us on the U.S. Alaska Agreement that was signed with respect to the opening of the Klondike Highway? I am specifically referring to the agreement in areas where there were costs that perhaps had not been expected and there was a mechanism in place there to be reviewed to see if they were legitimate. Basically, I am talking about the application on the road, maybe more equipment, things of this nature. I would just like to know what the status of that particular agreement is at the present time.

<sup>45</sup> I presume the Member is aware that somewhere in the bowels of the transportation department in Alaska, a civil servant requested that the Government of Yukon pay for an application of BST, an application that has already been done. That request was made through administrative channels, and we refused it largely because the agreement, in our view, does not anticipate that kind of expenditure. We only pay for damages done to the road on a cost-shared basis, not for the initial upgrading of the road.

Our position has been to reject the offer from Alaska to have us pay for a portion of this upgrading. To my knowledge, the Alaskan Commissioner of Transportation has not pushed the matter at all.

**Mr. Lang:** Then, there are no other costs other than those the Minister outlined? I was not aware of that incident. Other than that request, projected costs are going as per known costs vis-a-vis the agreement?

**Hon. Mr. McDonald:** That is correct.

**Mr. Lang:** There was some discussion regarding the question of speed of the trucks because of the increased weights and the bridges. We got into quite a discussion as to what kind of condition our bridges were in.

One of the replies at that time was that there was going to be a modern inboard computer for the trucks to ensure that they met the speed limit that is required on the bridges. Could the Minister update us as to whether or not this is working? It is an important issue on public expenditures.

**Hon. Mr. McDonald:** There are inboard computers, and they are spitting out reports of each run. I have had no indication from transportation officials that other than that the information being provided is helpful in determining speed on bridges and on certain stretches of the road. I know that that claim has been disputed in the past, perhaps even by people in this Legislature. To my knowledge, the onboard computers are doing the job in determining the speeds of the trucks.

We are also spot monitoring the bridge at Carcross and the Takhihi River Bridge, as well as bridges on the routes to determine if the trucks are following the speed limits, and, to our knowledge, there has been no significant problem on the bridges.

<sup>46</sup> There have been complaints from people on the American side that it is a little tedious travelling behind the trucks when they are crawling up the hills. I have been told that the trucks do try to travel close to the speed limit as much as possible. That is one end of the

equation. The other, too, as we get into the Budget and get to bridges, is that there will be a general bridge upgrading program, which will be undertaken, we hope, in future years as well, to improve the standard of bridges in the territory. As I said last year, to my knowledge, all the bridge strengthening that needed to be done for this truck haul has been done.

**Mr. Lang:** While we are talking about the year-round opening of the Klondike Highway to Skagway, you mentioned the question of Capital dollars for the purpose of that particular project. Is that \$7 million over and above the \$7 million spent this year, for a total of \$14 million?

**Hon. Mr. McDonald:** One moment, while I find out how much was spent on the Skagway Road. If the Member would not mind, I would come back with that information. The \$7 million is for work to be undertaken this coming year.

**Mr. Lang:** When we get into the line-by-line items, maybe he can deal with that. On the question of contracts, I understand this is federal money. Has that money been approved by Treasury Board?

**Hon. Mr. McDonald:** Is the Member referring to \$7 million? I do not know whether it has been given formal approval. I can check on the dates for approval.

**Mr. Lang:** I am asking with respect to the issuance of contracts and the timing of the contracts. We went through a debate in this House, wondering when Treasury Board was going to approve the allocation of these funds so the tenders could be put out so that contractors could view and bid on them.

Could the Minister undertake to have further clarification on that point when he goes back to his officials before we get to the line-by-line area, so that we will have an idea of when they will be tendered out?

**Hon. Mr. McDonald:** The tendering was late last year, as Members know. The plan this year is to try to get the specs done as soon as possible. I would like to note that all but the Regional Resource Roads Program and some work on the Faro access road was done as planned, partly because the weather cooperated with us this year, and we were able to work well into the fall.

<sup>47</sup> The plan this year is to try to get the engineering work done early enough to ensure that the tenders can go out as soon as the money is released. The other point can be made, too, that this year a lot of engineering work was done concomitant with the construction that was being done on the South Klondike Highway so a lot of technical work has been undertaken and should be valuable for tender specification preparation.

**Mr. Lang:** I appreciate what the Minister said. For the record, I want to know, when we get to the line by line, just exactly what the situation is and clarification with respect to that.

Now that I am in the question of contracts, I would like to get an overview from the Minister, because the Government Leader has asked me, rightfully so, to perhaps address each Minister individually because of the nature of the Capital Vote, on the subject of contracting and how the projects are going to be tendered out. Primarily, my concern goes back to in-house work versus that which is being tendered. I am not going to go into the Elsa situation, but there was an example of, I do not know, a \$300,000 project — in that neighbourhood — that was done in-house and caused the Minister a fair amount of grief, internally. When you are your own contractor it does cause a problem.

I would like to hear a general statement from the Minister on policy with respect to the overall major capital projects that he has with respect to how they intend to authorize the tendering of the projects in question, whether they be a recreation hall, arena or community facility, in general, which the Minister has direct responsibilities for.

**Hon. Mr. McDonald:** I take it the member is looking for a general statement. I started to focus my mind on highways work and slashing, clearing and crushing and those sorts of questions.

Generally speaking, there is not a budget management capability of this sort that exists in Government Services for undertaking projects. Of course, as the Member knows, historically, with the Department of Highways things like large slashing projects are undertaken by private contractor. We have even tried to have the smaller ones undertaken by private contractors as well. There is not



an altogether 100 percent good record on the smaller projects, but there is, generally speaking, a desire to contract those out with the engineering personnel supervising the projects. That is certainly true for all highway construction.

With respect to community facilities, in the municipalities it is entirely up to the municipality. In the communities, if there is a community organization with the administrative wherewithal to undertake a particular project or to oversee a particular project, then we would consider transferring that project to them, but even then we would be looking at encouraging them to contract out the project.

<sup>48</sup> Land development is generally done by a subcontractor. The policy from previous years has not changed at all.

**Mr. Lang:** There is a great deal of money being transferred by one method or another to the communities, consistent with the philosophy of the government and of this side as well. I do not think anyone argues that. The concern is that the government may not be looking at the ramifications of this to ensure that there is a contract procedure in a municipality or a community for issuing contracts for doing a community facility.

That is the concern that is being expressed in some quarters. Is there a government policy, or is he prepared to make it known that there is a requirement for a contracting procedure? If there is not, the Government of Yukon will tender it out and work with the community on the project. We are dealing with a great deal of money here. I understand the transfer of dollars for renovations to a community hall, for example. When we talk about hundreds of thousands or one half million dollars, we are talking about a fair amount of money where there has to be a responsibility centered somewhere. It has to either be the Government of Yukon, where you have to sit here and put up with my dulcet tones flowing across the Chambers, or vice versa in a municipal chamber, or whatever the case may be.

This is an area of concern from two points of view. One is from a contractor's point of view. He has to understand exactly what the overall policy is since the money is coming out of this House and to ensure protection for the Minister as well as the government. Have I clarified my questions for the Minister?

**Hon. Mr. McDonald:** Yes, the Member has. I want the Member to know that I am acutely aware of the concerns that he expresses. It is in the government's and in the Minister's best interest to ensure that the tendering be done in a straightforward way and that pressures are not put on the government to fiddle away contracts. We want a system that is open and fair, and the contracts tendering procedures that the government has established ensure that that is the case.

The transfer under Capital Block Funding would be transferred to a municipality to undertake in a manner in which they see fit. They are, of course, controlled by their constitution, which is the *Municipal Act*. The checks and balances outlined in the *Municipal Act* are extensive and necessary to ensure that municipalities have a reasonable constitution from which to operate.

<sup>49</sup> With respect to all other projects, it is clearly the government's responsibility to ensure that the proper procedures are undertaken in the construction of a capital work. For example, we might want to build a community hall in Pelly Crossing, or we might want to build an arena in Ross River. And, with respect to the arena in Ross River, it is the government's opinion that there is no community authority with the administrative wherewithal to review and manage a project of that particular size. The community association or local Indian Band may be perfectly capable of handling the construction of a ball park, or something of a minor nature, and that would be manageable by an association of that size.

On the other hand, in Pelly Crossing, perhaps the community hall is within the wherewithal and administrative capability of that Band to construct; I do not know. That would have to be determined. If there were questions made by the community to undertake the project themselves, we would want to ensure that proper procedures were followed, in terms of the construction of the projects.

With respect to tendering, I would have to check on the procedures. I am not 100 percent familiar, and I want to be accurate in my response. I think this is a sensitive and complicated area.

Generally speaking, that is the policy. It has not changed, to my knowledge, from previous years. I have not given an edict that it ought to change.

Territory-wide, when the government undertakes a project, there is a desire to tender it and follow the contract procedures.

**Mr. Lang:** I give the Minister full marks. He has danced all around the question. I know he has tried to answer it and, at the same time, cover himself. Is he going to be approaching the municipalities to say if they do not have a bylaw for contracting procedures in place, that he would like to see them have one put in place, to ensure the amounts of dollars that are going to the municipalities, if they decide to tender out, there is a procedure in place? Let us deal with that question first.

**Hon. Mr. McDonald:** I want to defer that question. I am not sure whether the *Municipal Act* requires a bylaw be put in place. If it does not require that, I would like to review the situation. I do not know.

**Mr. Lang:** Do I take it that if you are working with a community organization that the policy is that the contract, if they do take a project management presence in a project, that the government will ensure that the tendering procedure, overall, is followed, as far as the allocation of dollars is concerned, working in conjunction with the community organization where YTG has direct responsibility? That is outside municipalities.

<sup>50</sup> **Hon. Mr. McDonald:** The government has the capability to project manage as it did with the Elsa School and, in my view at least, what the communities could do would be the same as what the government could do. They could contract out the entire project or they could do it on a project management basis if they had the capability to do that. It would depend very much on their administrative ability as to whether or not they would be given the project in the first place.

**Mr. Lang:** We are very concerned that there are procedures and that they be followed. I think that particular point has been made by this side quite extensively over the course of the last year. I would just like to alert the Member to that.

Could the Minister update us with respect to the areas of major policy areas of review that he undertook last spring. Where are they with respect to the Building Code and the communication policy? There is a review of bridge requirements that he indicated they were going to do. We are talking about \$750,000 on the O&M side that was going to have an effect on the capital. Perhaps the Minister could update us. Review of Acts is one area he said he was going to undertake, a regional transportation study, Old Crow primarily and Eagle Plains, the question of the Haines Junction airport and things of this nature. Could he give us an overall viewpoint with respect to this whole policy area? Did the whiz kids appear, or did they vanish or what is the decision from Ottawa?

**Hon. Mr. McDonald:** Firstly, some of the questions the Member asks are very clearly capital. The majority of it is O&M. I do this with a fear for my life, but I realize that it is 5:10 and if we get heavily into an O&M debate it cannot last past 5:30. The government, as a matter of policy, of course, hires whiz kids from the Yukon if they can. Anybody who is capable of doing the job locally is hired.

The \$650,000 was broken out differently because we felt that we wanted to put a lot more effort into land development and land services for the territory so we reallocated a fair portion of that to Lands Branch. We continued on with the communications policy, and there were two people hired in that section. We undertook a number of transportation studies. Some of them have been tabled and some of them are ongoing, including the Old Crow Transportation Study. That will not be completed until middle spring, because there was a desire to study the transportation systems on a year-round basis and have experience over 12 months.

<sup>51</sup> There are such studies as the Tarr Inlet Study and Tramline Study, which I hope to table next week. The House asked for it, and the House gets what the House asks for. There was work done on Yukon 2000. When we get to the O&M Budget, I can give the Members a breakdown of the dollar amounts. When we get to line item, I can give a better idea of the money that was expended in the Capital Program. If it is the Haines Junction Airport, I can give the

Member some information.

**Mr. Lang:** Could the Minister indicate to the House what the government's intentions are for the Clear Creek Road? Is that on the schedule for maintenance?

**Hon. Mr. McDonald:** In the famous words of the dean of this House, I am going on memory now. Our Regional Resource Roads application was put in by the Department of Highways for upgrading of the Clear Creek Road. The miners on the road indicated that the funding requested was not necessary, and the application was deep sixed for that reason. The road will be maintained in the summer time.

**Mr. Lang:** I appreciate that this is a detailed question, but it was one that was raised a number of times. I just would like to follow it up. There was a request to put in an emergency airstrip in close proximity to the Eagle Plains Lodge. Has there been any movement in that area? I know it would have to be done jointly with the Government of Canada. Can the Minister update us on the progress of that?

**Hon. Mr. McDonald:** The operator at Eagle Plains had made the suggestion that he would be willing to cost-share the majority portion of an airport at Eagle Plains. As Members know, the federal government asked the Yukon government if they would be willing to cost-share that project. We agreed that we would cost-share the project.

In turns out that the request for the preferred site by the operator was not a site that would meet MOT requirements. The federal department that was considering the cost-sharing was DIAND. It is our view that any airport construction at Eagle Plains ought to be able to handle Hercules air traffic and ought to be safe for small private carriers. The operator out of Old Crow, for example, feels that the proposed site of Eagle Plains has severe crosswinds and would prefer a better site in the general district. My understanding right now is that the search is underway for that better site. No construction has been undertaken, as a result.

**Mr. Lang:** Could he update us with the regional planning that has been going on in the Klondike Valley, for one, and where that planning process is at, and what other planning areas for land use he is looking at?

**Hon. Mr. McDonald:** There are two areas, as some Members know from the Ministerial Statement I made on lands. One was in the Whitehorse West region, and that is the area up to Fox Lake and south. The other one was the Klondike Valley area.

Terms of reference have been determined. The committees have been struck. The chairman of the Klondike Valley Subregional Plan Committee is Fred Berger, and the chairman of the Whitehorse West Regional Plan Committee is Doug Bell.

<sup>53</sup> The planning process in both districts are underway.

**Mr. Lang:** Is that a full time job? Does a person get paid lots of money to be the Chairman?

**Hon. Mr. McDonald:** I do not think a person gets paid lots of money. I think it is an honorarium depending on the number of meetings held. I would have to check on that.

**Mr. Lang:** I noticed that the objectives of the department have changed. The planning on the Commissioner's land was the objective for the department last time we discussed Capital Budget. Now the government has planning, development and management of Yukon land. Is the government taking full responsibility for land use planning instead of the Department of Renewable Resources?

**Hon. Mr. McDonald:** The breakout between the Department of Renewable Resources and the Department of Community and Transportation Services is that Renewable Resources is responsible for a territory-wide general land use planning process that has not been undertaken because the agreement has not been struck. The Minister for Renewable Resources can probably update the Member on that.

The Department of Community and Transportation Services is responsible for subregional planning that is people-driven. That is the breakdown.

<sup>54</sup> **Mr. McLachlan:** I have some general questions for the Minister that relate to the Curragh truck haul. Does the department get a lot of queries on the truck speeds and the closeness of the spacing between the trucks and, if so, how do you handle those

complaints? What do you do?

**Hon. Mr. McDonald:** I have been told by Yukon Alaska Transport that the only person they have heard of who complains about the spacing of the trucks is me. I travel the highway pretty regularly, and I am aware of the ten kilometre distance required between the trucks. I think it is common knowledge that the ten kilometre distance is not always obeyed, so any Member who travels the Klondike Highway will understand that. Yukon Alaska Transport has tried to make provisions in their operating plan to encourage truck drivers not to bunch, not to adopt the herd instinct, and follow each other one after another.

With respect to speeds, the review from the general public indicate that apparently Yukon Alaska Transport drivers are very courteous and are doing a very good job from that perspective. I have heard of not serious complaints communicated to me or to my office with respect to courtesy and operating procedures of the Yukon Alaska Transport drivers. My understanding is that they are fairly courteous.

**Mr. McLachlan:** If you do get a request, what is the mechanism that you follow? Does it go directly to Yukon Alaska Transport or do you have weekly meetings? What is the procedure?

**Hon. Mr. McDonald:** The Assistant Deputy Minister for Transportation meets with Yukon Alaska Transport and Curragh officials regularly to discuss the operating plan, and to discuss problems that may come up from time to time. I do have meetings with Marvin Pelly fairly regularly, maybe once every month or so, to discuss the operating plan. At that time he does discuss what Curragh's aspirations are. When a complaint is received through my office, if I had received a complaint, the procedure is that it would be double-checked through Curragh and Yukon Alaska Transport through the Department.

<sup>55</sup> **Mr. McLachlan:** I want to assure the Minister that the complaint that he is aware of is the one I get all the time as well. I drive the greatest amount of miles as opposed to those going north to Carmacks, or the Member for Hootalinqua who has to go a 50-mile distance. It is very frequent in my riding. I bring it up because of all the particular parts of the agreement that were formulated in the Legislature last spring, that is the one many people have the greatest query about. It came up in 1969 with White Pass. It was supposed to be spaced. It did not work, for one reason or another. One driver stops longer for coffee; one driver drives faster than the other; one drives slower; they catch up. It just seems to be unworkable. I do not know what the department can do. If the problem persists and gets more serious than it is now, and the complaints get greater, I am wondering if the Minister has any way of dealing with it. It is brought to my attention very often.

The Minister has used the term "spot checks". Yukon Alaska Transport has two of their own vehicles running the road doing checking. What does the government do for spot checking? Do we have our own van? our own vehicle? Who sits at the bridge with a stopwatch, or has he a radar check within his vehicle? What is the procedure by which government does its check?

**Hon. Mr. McDonald:** The government has a mobile enforcement officer who has a radar gun in his vehicle and portable weigh scales, I understand. The RCMP are also charged with enforcing the rules of the road. They do their own checks on occasion.

The spot checks that are undertaken are carried on very regularly. They will continue to be undertaken. The Conservative Member mentions spacing. I am aware of the problem. I have discussed it with Yukon Alaska Transport officials personally. They attempted to rearrange the operating plan for the drivers, so that they paid the drivers when the drivers reached the end of the tour, rather than from the time they left a particular point. They paid them at the destination rather than the starting point.

<sup>56</sup> That does not work, obviously. It has not worked since the new system has been in effect. I guess the drivers not only eat in the cafes, but they like to eat together. Apparently, Alaska-Yukon Transport is doing everything in its power to encourage the proper spacing of drivers through different operating plans and through spot checks on the highway. As the Member and I know — those of us who travel the Klondike Highway — the trucks are still bunching.

**Mr. McLachlan:** I would like to ask the Minister about some patching on the highway between Faro and Whitehorse, and I am sure that it is on the south access road as well. I have always felt that if there is a soft spot on the road, those trucks will find it. We have more heaves than we have ever had before, and some of that is expected. It is not always easy to see from the Estimates, but is it the intention of the department to undertake a detailed reconstruction on the part of the orehaul roadway where we have discovered softness, or will there be a piecemeal patching approach to repairing that road surface?

**Hon. Mr. McDonald:** No, it will not be a piecemeal patching approach. The department is well aware of what the engineering standard of the road was. As Members will note, the highway at Fox Lake, for all its dangerous curves, was deteriorating long before the trucks started rolling on it because of the underground streams that flow off the hillside. It makes it difficult for the roadbed to stay in shape.

It was anticipated that the road between Twin Lakes and the Carmacks pavement would deteriorate, as it has. The BST that was applied was put on for dust control purposes. The base grade was not sufficient to hold heavy traffic. The chipseal was put over the base grade to control the dust.

<sup>57</sup> So it was anticipated that that road would start falling apart, and it has.

**Mr. McLachlan:** I have a question with regard to block funding. In some respects the money transferred to the communities becomes a powerful instrument in the hands of the Minister. If the communities are looking for some particular help on a project and they are not sure if that would fall within the amount of money, for example, there is nothing to stop the Minister from saying to the communities of Faro and Watson Lake, "We gave you \$1 million, take it out of that." To further illustrate it, we had a project within Faro that we wished for the control of bears at the dump. The municipality was asking for an incinerator since all other aspects seemed to have failed. That incinerator could be a large scale one, as large as \$250,000. What I am trying to find out is where is the discretionary line being drawn between the Minister saying, "We gave you a lot of money, use that" or "Yes we can help you with that project"?

**Hon. Mr. McDonald:** The discretionary line was drawn by the legislation itself. I, as a Minister, do not have the power to determine whether or not I am going to go in and help with a particular project. If it is a municipal work, then it will be the community's responsibility 100 percent, unless the project is a sufficient size, in accordance with the terms of the legislation, to warrant Yukon government assistance. All municipal works within municipal boundaries will be a municipal responsibility.

**Chairman:** Any further general debate?

**Mr. Lang:** I am prepared to clear general debate so the good Minister can look forward to a good day on Monday.

**Clerk:** Okay, we will clear that and begin Monday with general debate on the first line item which is Transportation, the breakdown of which appears on page 15.

**Hon. Mr. McDonald:** I move that you report progress on Bill No. 7.

**Chairman:** You have heard the motion, are you agreed?

*Motion agreed to*

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

*Motion agreed to*

*Speaker resumes the Chair*

<sup>58</sup> **Speaker:** I will now call the House to order. May we have a report from the Chairman of Committee of the Whole.

**Mr. Webster:** The Committee of the Whole has considered Bill No. 7, entitled *First Appropriation Act, 1987-88*, and directed me to report progress on same.

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

**Some Members:** Agreed.

**Speaker:** *I declare the report carried.*

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

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

*Motion agreed to*

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

*The House adjourned at 5:28 p.m.*

**The following Sessional Papers were tabled December 11, 1986:**

86-3-80

Yukon Housing Corporation, Auditor General of Canada report for year ended March 31, 1986 (McDonald)

86-3-81

Decentralization of Housing: Experience in Western Canada - Barstow and Associates Consulting Limited, November 23, 1986

86-3-82

Yukon Housing Needs Study - Institute of Urban Studies, University of Winnipeg, July 21, 1986 (McDonald)

86-3-83

The Future Mandate of the Yukon Housing Corporation, October 31, 1986 (McDonald)

86-3-84

Letter to Rt. Hon. Joe Clark, Secretary of State for External Affairs, from Tony Penikett, Government Leader, on the question of international relations (Penikett)

86-3-85

Extension agreement on the Memorandum of Understanding between the Council for Yukon Indians and the Government of Yukon, and potentially the Government of Canada, on land claims (Penikett)

**The following Legislative Returns were tabled December 11, 1986:**

86-3-19

Tax Credit incentive to Yukon-based company (Penikett)  
Oral, Hansard, Page 182

86-3-20

Taxation of Haines Junction Oil Refinery (Penikett)  
Oral, Hansard, Page 67

86-3-21

Travel by Deputy Ministers and Assistant Deputy Ministers since June 1, 1985 (Penikett) W.Q. No. 3, Spring Sitting

86-3-22

Contracts - Catering and Yukon 2000 (Penikett)  
Oral, Hansard, Page 164

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text notes that without reliable records, it would be difficult to track the flow of funds and identify any irregularities.

2. The second part of the document focuses on the role of internal controls in ensuring the accuracy of financial reporting. It describes how internal controls are designed to prevent errors and misstatements, and to ensure that all transactions are properly authorized and recorded. The text highlights that strong internal controls are a key component of a robust financial management system.

3. The third part of the document addresses the need for transparency and accountability in financial reporting. It argues that providing clear and concise information to stakeholders is crucial for building trust and confidence in the organization. The text suggests that regular communication and reporting can help to identify potential issues early on and allow for timely corrective action.

4. The fourth part of the document discusses the importance of staying up-to-date on changes in financial regulations and standards. It notes that the financial landscape is constantly evolving, and organizations must be prepared to adapt to new requirements. The text suggests that ongoing education and training for staff can help to ensure compliance and minimize the risk of penalties.

5. The fifth part of the document concludes by emphasizing the overall importance of financial management in the success of an organization. It states that sound financial practices are essential for long-term growth and sustainability, and that organizations should strive to maintain the highest standards of financial integrity and accountability.