

**Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, February 23, 2011 — 1:00 p.m.**

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

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

Introduction of visitors.

Returns or documents for tabling.

Are there any reports of committees?

Are there any petitions?

Any bills to be introduced?

Any notices of motion?

NOTICES OF MOTION

Mr. McRobb: I give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of a schedule of payments that includes principal and interest for each year of the next 30 years on the Yukon Party government's commitment with respect to the Yukon Development Corporation's issued bonds.

Mr. Inverarity: I rise to give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of all documents and reports on patient wait times for Yukoners to see health specialists.

Ms. Hanson: I give notice of the following motion:

THAT it is the opinion of this House that prior to the governments of Yukon and Canada reviewing and discussing the terms of the devolution transfer agreement, the Yukon government convene a mining best practices summit with First Nations and other levels of government, industry, labour and the general public in order to develop common principles around:

(1) ensuring Yukoners receive a fair deal through any resource revenue cap as set out in chapter 7.27 of the devolution transfer agreement;

(2) ensuring Yukoners receive a fair deal through modernizing our resource royalty regime;

(3) strengthening our regulatory regime to ensure our environment is not degraded by increasing mining activity;

(4) capitalizing on employment and training opportunities so Yukon residents can get good jobs in the mining sector;

(5) ensuring the industry operates at a high standard in terms of occupational health and safety; and

THAT this summit be held before the 2011 fall sitting of the Legislative Assembly.

Mr. Cardiff: I give notice of the following motion:

THAT this House urges the Minister of Justice to ensure when making appointments to the Police Council that gender equity be a primary concern, with at least two permanent representatives on the council, one nominated by Yukon women's organizations, and one nominated by aboriginal women's organizations.

Speaker: Are there any further notices of motion?

Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Peel watershed land use plan

Mr. Mitchell: Mr. Speaker, I have a question for the Minister of Environment on this government's opposition to the draft Peel land use plan. We know the government has approached this issue from a development-over-conservation perspective, and that has been reflected in who speaks for the government on this issue. It's always the minister responsible for mining. However, the Minister of Environment signed off on the latest workplan in January, so we know he is up to speed and capable of answering questions on this issue. We will see if he is able to respond today.

First Nations support the draft plan and said so this week. We know the majority of Yukoners support the need for major protection within the watershed. The Government of Yukon doesn't support the plan. Will the Minister of Environment explain why not?

Hon. Mr. Rouble: As members of the Assembly and Yukoners in general are aware, the Department of Energy, Mines and Resources has the lead on this file.

Yes, Mr. Speaker, in response to the Leader of the Official Opposition, on January 20, there was a meeting of the parties to the Peel planning process. That concluded with a recommitment, or a re-signing, of the letter of understanding. It also concluded with an examination of the calendar and the activity plan, which details how the process is to go forward. It demonstrates where the responses to the commission were to go back to the parties to the plan. It includes the work that the commission is to do on the plan, when it will come back to Yukoners for additional consideration, and then in the fall of this year when the governments will comment on the final plan.

We're working very closely with Yukon First Nations that are affected by this planning process. There is a joint submission by the parties that brought together some of the common issues and concerns. Because we were not all in agreement that the plan should be adopted as presented, there are issues with it, and those were shared in the submissions by the parties.

Mr. Mitchell: It is very disappointing to see the Minister of Environment take a back seat on this issue. The Minister of Energy, Mines and Resources talks about joint submissions. There was also a joint news release this week from four governments. The four First Nations involved in the Peel region are unanimous. They support the plan the commission has come up with.

This Yukon Party government doesn't support the plan and wants to leave this area wide open to industrial development. We know the Premier interfered in the plan from the very start. He ordered the Department of Environment to suppress information and now we see the government finally laying its cards on the table. They don't support the plan and would prefer to see the area developed. They would also prefer to see this all occur after the next election.

Why has the Minister of Environment not stood up for the environment?

Hon. Mr. Rouble: One only has to look at the timeline that was agreed to by all parties on this. This wasn't something that was put forward by the Government of Yukon. This is a schedule that was put forward by the First Nations involved and agreed to by all parties. I trust the member opposite isn't arguing with that.

We have always been clear that we want to see a balanced approach on that. The Yukon Party's position on this has been the same; we have been consistent. I would encourage the Leader of the Liberal Party to share with us his views on the comments that we've jointly provided, whether he agrees with those or not.

There are issues that were identified in the joint response that were of concern to all members of the commission. He chose not to agree with those when he stated earlier that he wanted to adopt the plan as presented. Also, it would be interesting to hear the new Liberal position and whether that's consistent with what has been said here in the Legislative Assembly or consistent with what we heard them say, or were told they said, down at Roundup.

Our position has always been clear; the Government of Yukon's position is available on the Web if members opposite would like to take a look at it. Let's get some clarity from the Liberal Party so that we can hear, once and for all, which part of the plan that they're going to agree with — the part they said in the Assembly, or the part they talked about in Vancouver.

Mr. Mitchell: I'll tell you who has been clear: we've been clear with what we've said and we've said it publicly more than once. The First Nation partners that this government has have been clear. They told the commission that in the main you got it right. The public wants to know whether the Environment minister is going to lead or get out of the way. What is the government's response? In the main you got it wrong.

This government doesn't support setting large areas of the Peel aside. Quite the opposite: it supports leaving it all open to development. Let me ask the Environment minister this question. The government does acknowledge in its response to the commission that, "there should be areas where development is excluded in the Peel."

Which areas is he referring to and how big are those areas?

Hon. Mr. Edzerza: For the record, it should be stated that the Liberal government has no position on anything. They're fence-sitters — whichever is the best for them today is what they go with.

This Yukon government acknowledges the hard work involved in producing the recommended plan and supports many parts of that plan. Affected Yukon government departments are

working together to review and provide comments on the *Peel Watershed Regional Land Use Plan*. We are also working with our First Nation partners and hope to provide a joint response to the Peel Watershed Planning Commission.

We have obligations to follow under the *Umbrella Final Agreement*, and that's exactly what we're doing.

Question re: Fiscal management

Mr. McRobb: Once again it's necessary to return to an issue of importance to Yukoners because they aren't getting the whole story from the government. All week the Premier has avoided answering questions on the cost to Yukon taxpayers of debt-servicing the Yukon Development Corporation bonds, resorting instead to his government's preference to deny, deflect and attack.

The Premier needs to be fully accountable to Yukoners on this matter. Today, we're looking for clear answers to clear questions we ask on behalf of the public.

The first issue pertains to the government's annual cost of debt servicing — the \$52.5 million. So far, this government has used the figure of \$2.6 million, but that excludes the cost of capitalization, which adds another \$1.7 million. So why does the Premier exclude that capitalization cost?

Hon. Mr. Fentie: Mr. Speaker, the government is not excluding anything. Once again, to be clear, the government has committed to support the Yukon Development Corporation, which is a Crown corporation of which the government is a shareholder. The corporation has gone about its business, as corporations do — building energy infrastructure in the Yukon — and we're very pleased that the energy infrastructure is certainly most needed, but will create great benefit today and long into the future in producing the energy required for Yukoners, Yukon businesses and others.

What the Member for Kluane — the Liberal member — is suggesting is simply something that the Liberals are presenting to the public.

It has no basis in what is factual or what the government is doing with its Crown corporation, in terms of allowing it to operate and be a corporation and to build Yukon's energy future with our support and assistance.

Mr. McRobb: Mr. Speaker, this commitment to pay both interest and capital was clearly spelled out in the Premier's own letter, filed yesterday. Now, this isn't about booking the debt; it's about servicing the debt. This Yukon Party government continues to neglect the full cost of servicing this debt in its budget for the coming year. Well, it might be convenient for this government to use the false, lower number. We will use the more correct, higher number of \$4.3 million. We know that \$4.3 million is very close to what the actual figure will be in the next year. The formula is straightforward.

Will the Premier now admit the real cost to Yukon taxpayers of servicing this debt in the coming fiscal year? It will be approximately \$4.3 million.

Hon. Mr. Fentie: That number is strictly something that the Liberals have come up with. It is certainly not what the government is working with. The member knows exactly what the commitments are to the Development Corporation. The Member for Kluane knows exactly what the bond issuance is;

the member knows exactly what the costs are with that, and the member knows full well that the government side is not booking liabilities that it's not liable to book.

The Liberals have also said, when it comes to Liberal numbers, that we're broke. Here we are demonstrating that we're not broke but have a very healthy financial position. Nobody out there in this wonderful territory of ours believes what the Liberals are saying. They change their mind and position at whim, depending on who they have last talked to.

Mr. McRobb: Let's take stock: (1) this government committed Yukon taxpayers to cover debt-servicing costs for the \$52.5 million of Yukon Development Corporation's bonds to pay for Mayo B; (2) the cost of servicing that debt next year is about \$4.3 million, yet the Premier refuses to show taxpayers the whole bill, even though it's these very same taxpayers who will be footing the bill; (3) this government's budget for next year shows only \$1 out of that \$4.3 million; and (4) instead of upholding their commitment to Yukon voters of being open, accountable and fiscally responsible, the Yukon Party is locked into deny, deflect and attack.

Will the Premier now show Yukon taxpayers the whole bill of \$4.3 million, or will he continue to make them wait until after the next election?

Hon. Mr. Fentie: And (5), the Member for Kluane is wrong. The government has committed to assist its corporation and, by the way, in the conduct of those operations, we'll certainly allow our corporation to do its financial accounting, as it's supposed to, to reach its year-ends, and if there are short-falls and assistance required, of course the government will be there. But we're allowing our corporation to operate independently, and we are committed to support them as any shareholder would.

The Liberals don't support them; the Liberals do not support any corporation in this territory. They constantly criticize the work of the corporations that are diligently providing a better quality of life for Yukoners, whether it's the Energy Corporation, the Development Corporation, the Hospital Corporation, the Housing Corporation — on all these fronts. The Liberals oppose them and have no use or purpose for these corporations. They know best; they're all in it together, and I'm sure it would be one fancy future should they, God forbid, ever get the reins of power.

Question re: Resource wealth sharing

Ms. Hanson: When we think about initiatives like responsible government, land claims and devolution, I think we would all agree that these major accomplishments don't belong to one individual, one party or to one government; they are accomplishments that belong to generations of Yukoners. They are a testimony to the fact that when we work together in the best interests of all and present a common front, we get results. There is a consensus building in the Yukon that we deserve a fair deal when it comes to our mineral wealth and that we need to renegotiate the \$3-million cap with Ottawa on our resource royalties.

What is the Premier's plan to work with the First Nations, with the opposition, with industry, labour and community

groups — with all Yukon citizens — to present a common front to Ottawa?

Hon. Mr. Fentie: I think we already articulated what the plan is many months ago. This government has already commenced its work with Yukon First Nation governments who are the partners in the sharing of royalties here in Yukon.

Let me just try to help the Leader of the Third Party. The work has already commenced. Everything we do presents a common front. That's why we have been so successful in our relationship, not only with our sister territories, but the 10 provinces in this country, as a member of the Council of the Federation and with the federal government, which has wisely chosen to work very constructively with the Yukon Territory — one of the reasons why the Yukon is a leader in the country when it comes to many things like the economy, like our health care system, like protection and conservation of our environment and like our partnerships in the sharing of wealth here in Yukon and with all Canadians.

Ms. Hanson: Mining is a non-sustainable activity which depletes the mineral wealth of a jurisdiction. As a result, it depletes the wealth available to future generations. Our actions today must reflect this intergenerational awareness — we should not take too much at one time and when we take, we must ensure legacies for the future.

This afternoon we will be debating one of the barriers to retaining more of our wealth when we debate the motion on the devolution transfer agreement and the \$3-million cap on resource royalties. We've never reached the \$3-million cap. It's a consequence of our royalty regime, which looks at mining companies' profits after deductions instead of the value of minerals they remove from the ground. It's a consequence of a government policy that has valued gold at \$15 an ounce for purposes of royalties when the trading price is in excess of \$1,300 an ounce.

Does the government intend to look at other impediments to the Yukon getting a fair deal on its resource wealth, or just the devolution transfer agreement?

Hon. Mr. Fentie: Again, the government has articulated clearly that we take a much broader approach than simply non-renewable resource revenues, and there's good reason for that. In this area what goes up, will go down and that's why our fiscal approach for Yukon is all-inclusive.

The member should know that there are offsets related to sources of our own revenue. We have to do the necessary calculations to ensure there is net benefit to Yukon, regardless of the source of revenue. That's why, today, Yukon is very successful.

We know the NDP's position here. The NDP is against free entry. The NDP is against profit for the corporate world. The NDP actually want to raise costs to industry, take money out of Yukoners' pockets and do what with it? Who knows? This is the NDP's real position. The Yukon Party government does not want to raise cost to industry, and we won't, but we will negotiate a fair deal with Canada that ensures that we share, on balance, the wealth of Yukon and of this country. That's why we have the fiscal position that we do today.

Ms. Hanson: Mr. Speaker, it's interesting to hear the conjecture of the member opposite. In fact, he is pulling rhetoric out of the air, not based on the facts about the NDP's position. In fact, in the fall, the NDP called for a mining best practices summit. This summit would pull together Yukoners to look at the increased mining activity and to decide how best to maximize social-economic benefits. Yukoners need to be involved in how we benefit from our resource wealth — through royalties, through employment and training.

We think it's time to revisit the idea of the summit. It's time to democratize the debate on our resources in order to get a fair deal. Developing what's fair for Yukon is around retaining more of our resource wealth; it means more than just sending the Premier down to Ottawa, cap in hand.

Will the government support the NDP call for a mining best practices summit so that all Yukoners can participate in building our collective position as to what is a fair deal for our resource wealth?

Hon. Mr. Fentie: We've all experienced in this territory the NDP's position on mining. There isn't any mining; there isn't any industry; there is no climate of investment that we, the Yukon Party government, have helped to create, which is garnering hundreds of millions of dollars of investment from the private sector.

No, we don't support the NDP's position when it comes to mining or industry or the corporate world or profits or the well-being of the Yukon public, especially economically. No, we do not support the NDP position.

Question re: Health care services

Mr. Cathers: I have more questions for the Minister of Health and Social Services regarding measuring success in health care delivery. There is no more important measurement of success than patients receiving quality care when they need it. They need timely access to appropriate facilities and health professionals.

In March 2006, Yukon had an "orphan patient" problem. Health and Social Services estimated that as many as 3,000 Yukon citizens did not have a family doctor. As then minister, I launched the successful health and human resource strategy to attract health professionals and assist Yukon students with health bursaries. Through its family physician incentive program and working with the medical community, including providing family practices with funding to expand their clinics, the Yukon's number of family doctors increased from 56 in 2006 to 63 in March 2008. Will the minister please tell me how many family physicians the Yukon has today?

Hon. Mr. Hart: I thank the member opposite for his question. With regard to providing general practitioners in the Yukon, we have been very successful in providing that service over the past couple of years — in fact, to the point where the Yukon Medical Association has indicated we no longer need the services of special licensed physicians.

Mr. Cathers: The Auditor General's report on health services and programs made recommendations regarding improving planning and performance measurements. There are two obvious ways that MLAs can choose to respond. The first is to read the report and make fair and constructive comments

on how a good health care system can be made better. The second approach is to exaggerate its findings, criticize department staff and accuse them of mismanagement of our health care systems.

Unfortunately, the Liberals and the NDP have chosen the second approach. Under the Liberals, the specialist clinic accommodated less than 1,600 patient visits per year. When I was Minister of Health and Social Services, we expanded the specialist clinic and the program has continued to grow to 5,300 patient visits per year under the current minister.

Will the minister please tell me how many patients it is expected to serve this year?

Hon. Mr. Hart: We anticipate providing many services to all Yukoners and to ensure that they receive the best health care possible through the collaborative process, either in the rural areas or in Whitehorse itself.

We are working with the Whitehorse General Hospital on increasing the specialist visits here to the Yukon to ensure, again, more services here at home can be provided, especially to those rural Yukoners and even those in Whitehorse — that can provide that service. As I mentioned previously, cataracts are a big issue that is being handled here in the Yukon and many clients are being handled through Whitehorse General Hospital through this process. We look forward to providing continued specialist services and continued increase in those specialist services through Whitehorse General Hospital.

Mr. Cathers: There is no more important measurement of success in health care than patients receiving quality care when they need it. They need timely access to appropriate facilities and health professions. Another important measurement of how our health system is doing is the number of people served by home care and continuing care. Will the minister please remind us how many continuing care beds the Yukon had in 2002 and how many we have today?

Hon. Mr. Hart: In reviewing the amount that was available in 2002, I'd have to suspect it was approximately 128 continuing beds that were provided. Continuing bed care in the Yukon now is at approximately 152 beds, and to that, Mr. Speaker, we anticipate adding an additional 19 beds to the continuing care facilities in the Thomson Centre with the opening of that facility, which is anticipated to take place sometime around the middle of April.

Question re: Government litigation

Mr. Inverarity: I have a question for the Minister of Justice. This government has found itself in court far too often over the past few years. It is the minister's responsibility to direct and approve any court actions taken on the part of the government. The minister is also responsible for paying the costs of fighting with Yukon partners. The government tells us that this is the cost of doing business. Will the minister tell us, then: what is the total cost for this year for all the legal battles this government is engaged in?

Hon. Ms. Horne: I don't have those actual figures at my fingertips, but I can provide them.

Mr. Inverarity: The government is currently engaged in a legal fight with the francophone community. The cost of that fight has been reported at \$750,000 so far. This govern-

ment has also taken to court self-governing First Nations. We have never been told the final cost to taxpayers for that exercise in clarity.

This government doesn't work with its partners; it fights with them, and these legal battles have a cost to them. If this government won't stop fighting with other Yukoners, it should at least disclose what it is costing. I'd like the minister to try to tell us if she has those costs.

Hon. Mr. Rouble: This is an issue that does require a bit more clarity, because the member for the Liberal Party is just referencing a situation that the Department of Education found itself in when it was taken to court. Government of Yukon believes that the level of support it has provided and continues to provide for French first language students is consistent with and, indeed, surpasses its legal obligations.

We found ourselves taken to court. We believe we put in appropriate programming. We believe it was incumbent upon us then to present an appropriate defence. It sounds like the opposition believes that whenever the government is sued, it's wrong. Well, there are issues that I think they need to take a deeper look at. They have to look into these issues. They can't just make an assumption based on the headline in the newspaper. They've got to look at the issue and look at what their position on it would be.

The Government of Yukon's position has been very clear and we've seen that with court cases that the government has been involved in, whether it's the Department of Education or issues in land claims. Unfortunately, the Liberal Party has often found them siding on the wrong side of the issue.

Mr. Inverarity: This should be an easy question. This government is in court far more often than it should be. How much is this costing Yukoners?

Clarity between two parties can be achieved through negotiation if both parties are sincere in that goal. We resort to the courts when all else fails. It's an expensive proposition and should be avoided at all costs. This is counterproductive and a costly approach to negotiating clarity. The government has a duty to inform the public what this negotiating strategy is costing us. How much will these court costs actually cost Yukoners this year?

Hon. Mr. Fentie: For the benefit of the Liberals, should they have any intention of ever becoming government, the government is responsible for the public interest. That means negotiations. That means other forms and instruments required by government to pursue the representation of the public interest and also the possibility of the courts providing rulings.

Let us refer to a specific case in this territory where the Liberals stood up and said, "Accept the ruling of the court and be done with it." Well, this Yukon Party government, in representing the public interest, followed due process. Do you know what the outcome was, Mr. Speaker? The courts ruled that the Yukon Party government did meet its obligations and that a Yukoner — a member of the public — had the right to access Commissioner's land. That's not what the Liberals would do. They would throw away all those instruments of the public interest. That's not a government-in-waiting.

Question re: Health care delivery wait times

Mr. Inverarity: I have a question for the Minister of Health and Social Services. Wait times for specialists continue to grow, not decline, under this Yukon Party government's watch.

This government knows that there is going to be an expected increase in our population and they are not moving to provide services to meet this demand. I know of many examples of wait-time horror stories. Just in this past week, a gentleman was told he would have to wait two years for a hip replacement as there are only six hip replacements scheduled per year at Whitehorse General Hospital. This man's quality of life will deteriorate over the next two years without having this surgery.

We can all imagine what a toothache is like; well, imagine living with a toothache for two years and not being able to do anything more than pop a few pills. Mr. Speaker, will the minister please confirm what the average wait time is, not including emergency situations for hip replacement?

Hon. Mr. Hart: As indicated yesterday in this House, there is no limit imposed on the Yukon for the number of residents who can have hip replacements; however, maybe unbeknownst to the member opposite, hip surgery is not done in the Yukon; it is done Outside. So we rely on the surgical times in the British Columbia hospital system. We rely on the capacity constraints that affect the Province of British Columbia as well, because our Yukon patients are in the process.

Previously I indicated on this subject in the House that Yukoners would be in a queue, the same as B.C. residents, when it comes to hip replacements, except for the cases of emergency. Again, that is a decision based on the surgeon and the physician for the person who is looking for hip replacement surgery. It depends on those two professionals to make that assessment. As I indicated, it's approximately anywhere from nine to 12 months for hip replacement for non-emergency cases as it relates to providing that service through the Province of British Columbia.

I will also state that we've had a substantial increase in the number of specialists coming to the Yukon being accommodated through Whitehorse General Hospital.

Mr. Inverarity: We need to plan to build on our services for Yukoners. When the Independent/Yukon Party member for Lake Laberge was completing his job interview for his old job yesterday, he failed to get to the heart of the matter, as usual, to receive answers.

Speaker's statement

Speaker: A bit personal, honorable member, so just please monitor that. You still have the floor.

Mr. Inverarity: Unfortunately, the Yukon is not included in the Fraser Institute's numbers for wait times, so we have no immediate reference to follow up on Yukon's wait times for specialists. It is not unheard of for Yukoners to be waiting for almost six years for shoulder surgery. This is an unacceptable wait time. Will the minister provide us with the average wait times on all specialist appointments?

Hon. Mr. Hart: I can provide the member opposite with many issues as they relate to specialists coming to the Yukon. In 1999, the number of specialist visits to the Yukon was 1,594; in 2009-10, it's 5,284 visits to the Yukon — is that not an increase? The number of clinic days in 1999 was 140; in 2009-10 it's 297. We're also looking at an increase of those facilities in 2010-11 to 363 for the number of clinic days, and 6,500 visits by specialists to the Whitehorse General Hospital.

Mr. Inverarity: Well, we know of many Yukoners on long waiting lists to see different health specialists. One example is of a Yukoner who was referred by an optometrist. He had to wait almost two years for an ophthalmologist specialist for a possible glaucoma. Well, glaucoma is an extreme eye condition that needs to be caught early. The Yukoner could have been treated for those two years instead of sitting on a wait-list. The list goes on. Let's not forget most of these wait times are just for consultation. Yukoners still have to wait another set of years for any actual surgery if needed.

Will the minister at least commit to producing a biannual report on wait times for specialist appointments?

Hon. Mr. Hart: As I've stated, we just provided a substantial list showing an increase of specialists visiting Yukon. We are working with Whitehorse General Hospital on increasing the number of specialists coming to the City of Whitehorse, as well as the types of specialists coming to Whitehorse. We have provided new additional facilities for these individuals to come to the Yukon. We are very encouraged by the Whitehorse General Hospital having the necessary technical and X-ray facilities required for these individuals and we look forward to providing further enhanced service for all Yukoners when it comes to their health care.

Speaker: The time for Question Period has now elapsed. We will proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT PRIVATE MEMBERS' BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 1303

Clerk: Motion No. 1303, standing in the name of Mr. Nordick.

Speaker: It has been moved by the Member for Klondike:

THAT this House urges the Government of Canada to amend the *Yukon Northern Affairs Program Devolution Transfer Agreement*, signed by the Yukon government on October 29, 2001, in relation to the following:

(1) changing the provisions of chapter 5, Forest Resources, and the \$7.5 million for fire suppression transition set out in chapter 7.13 to ensure the Government of Yukon receives appropriate compensation for fighting forest fires in order to address the risk of fire in the boreal forest including the spruce-bark beetle infestation that occurred in the Kluane region under DIAND's administration;

(2) increasing the \$3-million cap on resource revenues set out in chapter 7.27.1(a) Net Fiscal Benefit to enable the Government of Yukon and Yukon First Nations to receive more benefits from resource development in the territory while promoting greater economic activity with a corresponding greater economic return to the Government of Canada; and

(3) ensuring there is parity between the provisions of the *Yukon Northern Affairs Program Devolution Transfer Agreement* and devolution agreements being negotiated with the Government of the Northwest Territories and the Government of Nunavut.

Mr. Nordick: Mr. Speaker, it gives me great pleasure to rise to speak to this motion today.

The *Yukon Northern Affairs Program Devolution Transfer Agreement* that was signed on October 29, 2001, represented a significant step forward in the development of responsible governance in the territory. The quest for responsible government commenced in the Klondike capital, Dawson City, in 1909 with the election of a wholly elected Legislative Assembly. From 1909 to 1979, the Yukon's elected members of the Yukon Legislative Assembly concentrated their efforts on taking control of the executive arm of the Yukon government.

It took Yukoners 70 years to achieve this objective, which culminated in 1979 with the Hon. Jake Epp issuing new instructions to the Commissioner, effectively granting the elected members of the Executive Council or Cabinet complete control of running the affairs of the territory.

The next major objective was Yukon control and management of Yukon land and resources. Negotiations to achieve this objective began in earnest in the early 1980s and included amendments to the *Yukon Act*, which were presented to the federal government in 1985.

Governments changed at both the territorial and federal levels before the 1985 devolution initiative could be implemented. Accordingly, the struggle to obtain Yukon control and management of Yukon land and resources continued under successive Yukon and federal governments for the next 16 years.

Finally on October 21, 2001, the *Yukon Northern Affairs Program Devolution Transfer Agreement* was reached, which is the subject of this motion today.

One thing is clear: in reviewing the Yukon struggle to obtain fully responsible government, it takes years, if not decades, to effect change. No agreement is perfect and some of the shortcomings of the 2001 devolution transfer agreement were pointed out by the Yukon Party at the time of its signing.

The Yukon Party platform presented to Yukoners in 2006 has a section dealing with implementing and improving devolution, which includes the following provisions: continue to work with DIAND to secure a multi-year funding agreement sufficient to cover the cleanup costs and management of the seven major mine sites by the Government of Yukon and ensure economic and employment opportunities for Yukoners at these sites; urge the Government of Canada to implement clause 5.5 of the devolution transfer agreement in order to augment the \$7.5 million that was made available to the Government of

Yukon for fire suppression over the five-year transitional period; request that the Government of Canada make amendments to the *Yukon Act* to include recognition of the Crown in right of Yukon and transfer of the ownership of Yukon land and resources to the Government of Yukon; amend section 4(3), together with section 68, to remove the ability of the Minister of DIAND to continue giving instructions to the Commissioner that currently threatens the Yukon's present form of democratically elected public government; and amend Schedule I and Schedule II of the act to include the recognition of the Yukon's offshore boundary with the Northwest Territories in the Beaufort Sea, so as to put the Yukon on the same footing as the N.W.T. and Nunavut in relation to their offshore waters.

While the motion we are dealing with here today does not deal with amendments to the *Yukon Act*, it is important to recognize that the 2001 devolution transfer agreement was given legislative sanction through the amendments to the *Yukon Act* in 2002 and didn't come into effect until April 1, 2003. It is also important to acknowledge that considerable progress has been made in relation to the 2001 devolution transfer agreement, especially in relation to the type 2 mine site reclamation work that remains the responsibility of the Government of Canada.

One of our government's major accomplishments concerns the reclamation of the Faro mine. The Yukon government took over the management responsibility of the Faro mine complex in early March of 2009, after reaching a consensus with Canada and the affected First Nations on a prepared closure option that is estimated to cost \$30 million per year for the next 15-year period of adjustment, for a total investment of \$600 million.

Another successful reclamation venture has been Alexco reopening the Bellekeno mine, one of Yukon's three currently operating mines.

The major failing of the 2001 devolution transfer agreement, however, remains the provisions of chapter 5, forest resources, and the \$7.5 million for fire suppression transition set out in chapter 7.13.

As the risk of fire in the boreal forest increases, the 2001 devolution transfer agreement reduces the federal contribution to meeting this risk to zero. This is despite the fact that the spruce bark beetle infestation in the Kluane area was allowed to grow unchecked under DIAND's administration for decades, leaving the Yukon government with an environmental time bomb.

The Leader of the Third Party, in her previous life as the Regional Director of DIAND, should have first-hand knowledge of this situation. The spruce bark beetle infestation was first noticed in 1992 —

Some Hon. Member: (Inaudible)

Point of order

Speaker: On a point of order, the Member for Kluane.

Mr. McRobb: On a point of order, Mr. Speaker, I would just note that your previous rulings regarding the avoidance of personalizing debate was, I believe, just breached in the member's reference to the personal life of the Leader of the Third Party.

Speaker's statement

Speaker: I think the honourable members are going to have to allow me to review the Blues on this issue. My apologies; I simply didn't hear it. So allow me to review the Blues. The Member for Klondike has the floor.

Mr. Nordick: Thank you, Mr. Speaker. The spruce bark beetle infestation was first noticed in 1992 and now covers a massive area. Canada must accept its responsibility in allowing this infestation to grow to the extent that it did.

The second change the motion is advocating concerns the \$3-million cap on resource revenues set out in chapter 7.27.1(a) net fiscal benefit. In requesting this change, I would like to draw the attention of all members to government Motion No. 1289 presented by the Premier, which reads as follows:

“THAT this House urges the Government of Yukon to ensure that Yukon remains one of the best jurisdictions in the world in which to invest by continuing to implement competitive taxation and royalty regimes in order to maintain or reduce industry's cost of doing business in the territory.”

The point I am making here is that while we are requesting Canada increase the \$3-million cap on resource revenues, we do not want to increase industry's cost of doing business in the territory and maintain our competitive advantage. Raising the resource revenue cap will benefit everyone.

Canada will benefit from seeing increased economic activity and more revenues due to the fact that 70 cents of every dollar of Yukon's own-source revenues are returned to Canada. Yukon First Nations will see increased revenues from resource development and will be direct beneficiaries of this development. The Yukon government, like Canada, will benefit from increased economic activities and will see more revenues.

The Yukon should not be a victim of its own success. In 2001, the \$3-million cap on resource revenues may have been appropriate at that time, in view of the level of resource development in the territory. Look at where we are today: Yukon is currently experiencing another gold rush, the like of which we haven't seen since the Klondike Gold Rush. The current level of activity is even exceeding the levels of activity experienced by Yukoners in the heydays of the 1970s.

The final change our motion is requesting is to ensure parity between the devolution transfer agreements currently being negotiated with the N.W.T. and Nunavut. The DTA agreements with the territories should not remain static. They must grow with the times. What may have been appropriate in 2001 is not appropriate in 2011.

To be clear, I am not suggesting that the three devolution transfer agreements must be the same because the three territories have different circumstances that may have to be addressed. What I am saying is that each territory should be treated fairly and there should be a general parity between the agreements. I believe this motion is a motion that all members should be able to support and I commend it to the House. Thank you.

Mr. Mitchell: I would like to thank the Member for Klondike for bringing forward this motion today, and I'm go-

ing to speak in support of the motion, but I do want to say that if we're going to do this, we want to make sure we get it right because this isn't just words. This is really important. We're talking about the economic future of Yukon and in many ways the well-being of Yukon because the funding that will flow to Yukon will impact how we deal with our environment, how we deal with our infrastructure, how we deal with health and social services; these are very, very important issues at hand. In fact, we encouraged this government, before this sitting even commenced at the beginning of February, to move forward on this issue.

We put out a news release. We asked the government to work with a cooperative approach with First Nations, with our partners, to get a better resource revenue deal with Ottawa, because of the impact we could see coming from the \$3-million cap with all the increased mineral activity, with the record-high gold prices, the record-high copper and base-metal prices, which have contributed to a major upturn in interest in mining in Yukon and interest of companies in developing properties across Yukon.

This is a very positive thing we're here to do today. We also raised the issue of the new deal that was signed with the Northwest Territories and Canada — a deal that would provide them with much more revenue from their resources than that which we are currently in line to get from ours. I guess I want to say thank you to the Member for Klondike in urging the government to do its job, and we're pleased that this motion is before us today.

I'm not going to speak for an unlimited amount of time, Mr. Speaker. I am sure you are no doubt disappointed to hear that, but there are many members who will want to speak to this. It impacts every Yukoner, and different aspects of this motion impact different ridings to a greater or lesser extent.

First of all, I will say that there were provisions that were put into the devolution transfer agreement when it was written that allowed for periodic review and the Government of Yukon should be taking full advantage of them. In fact, there are sections in this agreement — I believe it's section 7.28 that talks about the fact that Canada and the Yukon territorial government shall conduct a review of the provisions of 7.27, which is the section that refers to how the resources are shared and that cap the Member for Klondike referred to, and it says: "(a) in the fifth (5th) year following the Effective Date and at five (5) year intervals thereafter; or (b) at any other time as may be agreed by Canada and the YTG" this should be reviewed and it can be amended.

So I'm hoping to hear from the government side what occurred five years following this initial signing in October of 2001, because that was during the term of this current Yukon Party government.

Let's go back to the days of DIAND managing our lands and resources, pre-devolution. I think we all remember what things were like then. We can remember the logging trucks circling the Elijah Smith Building. I'm sure the Premier remembers it; I think he might have been driving one of those trucks. We weren't very happy as Yukoners to be sitting here, not in control of our own destiny. DIAND was doing a poor job

in many ways, permitting mines or not permitting them, and it took 10 years to try and get title, for example, to a lot on a lake. The forestry industry was so upset over federal mismanagement of how this industry should be regulated, that there were literally protests in the streets, as I've mentioned.

To add to the history that was provided by the Member for Klondike, it was the DIAND minister of the day, the Hon. Ron Irwin, who got the ball rolling on devolution at the urging of many, many Yukoners. The McDonald government — the NDP government that preceded the Liberal government and followed the first Yukon Party government — spent a great deal of energy negotiating a devolution agreement. Many, many hours were spent by officials under the McDonald government and, of course, by the government leader as well.

That was followed by the Liberal government under Premier Duncan and the ball was moved forward under that government. In fact, there's a certain deputy minister who served under both of those governments, and he's still here today serving Yukoners. He logged a lot of miles going back and forth to Ottawa to get this deal done. I won't name that deputy minister, but he deserves the appreciation of all Yukoners for the work he did on this file and in getting this agreement done. It was not an easy task.

Now the government has taken issue with some provisions of the devolution transfer agreement and in fact we agree with the government on this. It's far from perfect. It was the best deal that officials and two governments could get at the time, and there had to be a time at which either we sign it and we gain some control of our own destiny, or we continue to negotiate. They signed it and that's why there were provisions for review put into chapter 5 for forestry and into chapter 7 for resource royalties.

Now with regard to forestry, both the industry and what we can gain from it and the costs of providing for combating wild fires — these are volatile numbers and they depend a great deal on Mother Nature and whether we have a good or a bad fire season. Climate change, as the Member for Kluane has pointed out, has upped the ante, so to speak, on this.

We've seen the huge infestation of spruce beetles in the Kluane region in particular, but elsewhere as well, and we know that the pine beetle is not far from making its entry into Yukon, because it has moved right up through British Columbia. So these things, while they're a natural phenomenon, they have a great impact on Yukon and on the costs that we incur. Some years we spend over \$20 million fighting fires, other years we spend far less, so again, this is why the review clause was put into the devolution transfer agreement. We certainly support the need to consider the possible effect of the large spruce beetle kill in the Kluane region and elsewhere as a possible driver of higher costs in fighting wild fires.

Regarding the first portion of this motion — changing the provisions of chapter 5, forest resources, and the \$7.5 million for fire suppression transition set out in chapter 7.13 "to ensure the Government of Yukon receives appropriate compensation for fighting forest fires in order to address the risk of fire in the boreal forest including the spruce-bark beetle infestation", we absolutely can support that section of the motion.

So let's now move on to chapter 7 and the issue of resource royalties. Now, as I said in my introduction in the days leading up to this sitting, we raised the issue of the royalty provisions in our devolution agreement. In fact, when we pressed the government on what action has been taken to improve these provisions, the Premier answered that not much had been done. What he did do was criticize the previous government for signing the agreement in the first place. I am pleased to see that today at least the Member for Klondike recognizes that every government moved the ball down the field and tried to improve the situation that we had and that no one government deserves all the credit for the deal we have or all the responsibilities for how to improve it. This is a continuous process.

This government has had nine years to negotiate improvements to the agreement and hasn't done so. I mentioned there was the five-year review that's written into the agreement. No, it hasn't happened. It has waited until the ultimate year, the ninth year of a two-mandate government. If it thought the previous government had done a poor job on the royalty issue, it certainly could have gone to the Government of Canada and requested that chapter 7 of the deal be looked at again, but it seems to be very late in getting there.

We find that somewhat curious, because this government has been saying for the past three, four or five years that there was a mining boom that would be coming to Yukon. We've all seen the price of gold rise — it hasn't been steady, but the ultimate graph has been a steady increase, even if there have been some downturns in-between. We've seen the more volatile base metal markets rise overall, even if there have been a couple of recessions that drove the prices down for a period of time.

The government talked about how much they were doing to support the industry and we think there was a missed opportunity to plan for the impacts of what this would mean in a number of areas — a missed opportunity to start earlier at renegotiating the terms of the devolution transfer agreement, and particularly, chapter 7.27.1 that covers the \$3-million cap. We also have said and will continue to say that the government could have and should have moved more quickly to develop land for residential housing across Yukon, not only in the capital city, but in all the other communities as well that are impacted by an upturn in the mining industry, because there is the potential to have very positive results from this industry, but not if we don't maximize it. We're far better off if people who are working in this industry are able to reside in Yukon and become Yukon residents than if they are simply flying in and flying out on a rotational basis every two weeks or so.

If they live here and are Yukon residents, we gain the income tax revenue from the earnings they receive from the industry and, perhaps more importantly, we gain the expenditures that every family makes for housing, utilities, heat and power, food, clothing, recreational purchases and pursuits and for students to attend schools that in some cases are less than full. All in all, we want the people working in this industry to be Yukoners, and so does the industry. We've heard that again and again from the industry. It's far better for the industry if people decide to reside in Yukon than if the industry has to fly them back and forth from points far more distant, and hope they

don't pursue a job opportunity closer to home, which leads to greater turnover.

In light of the devolution agreement that was reached in the Northwest Territories, we believe that Ottawa owes Yukon a better deal on resource royalties. The Government of Northwest Territories will now receive 50 percent of resource royalties, up to a cap of five percent of their gross expenditure base.

If the deal was in place this year, for example, it would have meant an extra \$60 million in revenue for our neighbours to the east. Every year that passes without a devolution agreement means that the N.W.T. foregoes another year's net fiscal benefit. Over the last five years the N.W.T. — this is according to figures that they've published, statements that they've made publicly — they feel that they've lost \$208 million in potential net fiscal benefit, so these are significant numbers.

The Yukon has been up against the cap a couple of times, but we haven't really been in a position of vastly exceeding it, but under the Yukon devolution agreement, the Yukon keeps only the first \$3 million in royalties with any amount above this offset by 100 percent. So, as I said before this sitting commenced, it's clear that the bar has been raised with the signing of the N.W.T. agreement and that our neighbours are going to keep a much larger share of resource revenues. I urge the Premier to move forward with Yukon First Nations to negotiate an agreement with the Government of Canada that will see Yukon keep more of its royalties because the benefits of increased mining should go to Yukoners first and foremost.

If, as expected — and I'm sure that the Minister of Economic Development and the Minister of Energy, Mines and Resources will have lots to say about this — several new mines go into production, the contribution to the GDP of mineral production in Yukon alone could be over \$1.2 billion before 2018 or 2020 if some of the larger mines such as the Selwyn Resources property and the Casino property of Western Copper get through the permitting stage and if the metals market stays strong and these mines go into production. I think that's more than double what it is now. It could be even higher. It's hard to determine how many of these properties will go into production, but if all of the properties that are currently entered into the permitting regime — as well as a couple of others that are close to being there — move forward, it could be even more. That's potentially a very positive thing for Yukon, but there will be costs. We will spend tens and tens of millions of dollars providing road and energy infrastructure that will be required. We will need much more housing. We will need more medical services. We will have the need for more educational services, to hire more teachers, perhaps to build schools.

So we do need to receive much more from the royalties, simply to cover our infrastructure costs, just to more or less break even on the impacts of this industry. Beyond that, as the government has said and as we have said, in the case of mining resources, these are non-renewable resources; they're one-time. We may discover new properties but, each time we extract those minerals, each time we mine the ore, it's a one-shot deal. We mine it, it's sold, it goes into the goods and manufacturing industries around the world, and then it's gone.

This is part of our birthright as Yukoners. We're very fortunate to live in a land that has all these rich resources. Just as we enjoy the hunting and fishing and all the other natural resources in Yukon, we also deal with the challenges here from weather that goes well beyond 50-below at times to living in a region where we have very long days in the summer and very long nights in the winter, we need to make the most of this for Yukoners.

The increase in royalties should be shared with Yukon First Nation governments. First of all, it says so in the UFA. I don't have the *Umbrella Final Agreement* in front of me, but I think it's in chapter 23. We have a legal obligation based on our being signatories to the *Umbrella Final Agreement*. Not only on settlement A land but on all land in traditional territory, we have an obligation to share the wealth with Yukon First Nations and Yukon First Nation governments. It's not stipulated — well, actually a minimum amount is stipulated — but we have an obligation to work in good faith with our Yukon First Nations and come to a good sharing agreement.

The Northwest Territories agreement in principle includes a resource revenue-sharing agreement with regional aboriginal governments. Of course, we've said that a Liberal government would make a similar commitment to Yukon First Nations. We should all share in the increased wealth that comes from a rejuvenated mining sector.

With new mines coming into production, now is the time, if not past the time, to move discussions with Ottawa forward because it is obviously in our interest to have a new agreement in place when additional mines start generating significant royalties. These are our resources; they belong to Yukoners and we should be benefiting.

Gaining a greater share of our royalties is an important step toward increasing our own financial independence.

The Premier stated earlier this sitting that those negotiations with Ottawa had not yet started, but he did say he was working with Yukon First Nations. He also said that, should the Northwest Territories receive a better agreement with Canada on sharing, we would certainly look into it and be looking at how we can further maximize retention of revenues here in the Yukon.

When we had that debate — and we had it here in Question Period and, I think, in general debate — many Yukoners we heard from were disappointed to hear the Premier say that "...non-renewable resource revenues tend to be quite volatile." — this is a quote for *Hansard* — "It's great to maximize the amount of royalties that we can retain here in Yukon, but what goes up in this area of non-renewable resource revenues will go down."

It was as if he basically said, "Well, the royalty amount might go down at some point, so we're not sure if it's worth asking for. It sounds like the government has moved off that position and we're glad of that. Perhaps they too heard from many Yukoners. The Premier also said that he was content to contribute royalties to Canada as part of paying our way. He described this as a good thing and he said that's the Yukon Party's approach. I'm sure that this will be very disappointing to many Yukoners. We do take a different approach because

we're going to stand up for Yukoners. It's fine to be a contributor to Canada — we should be — but these are first and foremost Yukon's natural resources, so we would expect this Premier to stand up — maybe be a little bit more like Danny Williams, a good conservative Premier — and fight for this territory and not just roll over on this issue.

A few weeks have gone by since we had that debate and it appears that the government has perhaps had a change of heart and a change of approach. They now believe that fighting for a greater share of our royalties is worth doing, and we're glad to see that change in attitude. We're glad to see that the Yukon Party government agrees with us on this issue

Some Hon. Member: (Inaudible)

Mr. Mitchell: And as the Member for Kluane points out, this is something that we believe the Yukon Mining Advisory Board also is supportive of. We haven't seen the latest set of recommendations, but we believe that is within them.

The Member for Kluane would like to remind the government of the request to table that agreement, and I'm sure the Minister of Energy, Mines and Resources will probably do so when he's on his feet because he has the ability to.

We can certainly support the second paragraph or clause in the motion of the Member for Klondike about increasing the \$3-million cap to enable the Government of Yukon and Yukon First Nations to receive more benefits from resource development in the territory, while promoting greater economic activity with a corresponding greater economic return to the Government of Canada, as long as we make sure we get a good enough deal to actually benefit Yukoners. So we can support that as well.

Now before I move to the third section or paragraph of the Member for Klondike's motion, I found it interesting during his opening remarks and the bit of a history lesson he provided about the Epp letter and the progress of responsible Government of Yukon over several decades.

He actually mentioned something that I was going to mention today, which is that there are other steps required to become masters at our own House, so to speak. Some of them — and the Member for Klondike referred to them specifically — were in the Yukon Party platform in 2006. I'm glad the Member for Klondike raised that issue. They're not part of the devolution transfer agreement itself, but they do also require our attention. Perhaps when the Premier is on his feet, or other members from the government side, they could provide Yukoners with an update on what progress has been made on these items.

In the Yukon Party platform, it indicated that they would: "Request the Government of Canada make amendments to the *Yukon Act* to include: amend section 4(3) together with section 68 to remove the ability of the Minister of DIAND to continue giving instructions to the Commissioner that currently threatens the Yukon's present form of democratically elected public government; and amend Schedule I and Schedule II of the Act to include the recognition of the Yukon's offshore boundary with the Northwest Territories in the Beaufort Sea so as to put the Yukon on the same footing as the NWT and Nunavut in relation to their offshore waters."

There was also a commitment to ensure the 141st meridian is recognized as the offshore northern boundary between Yukon and the State of Alaska.

It's interesting that the Member for Klondike referred to these commitments today but that the government didn't include them in the motion. Perhaps they will bring these points, which he referred to earlier this afternoon, forward by amendment by another speaker for the government side, or perhaps they'll leave this to a motion for another day. We actually looked at this and considered raising this issue this afternoon, so we're pleased to learn that the government hasn't given up on this issue, even if they have been largely publicly silent on it in recent years. It would perhaps be awkward or difficult to include that issue within this motion.

As I've said, we support the intent of this motion, and we can support the first two paragraphs as they are here today.

That brings me to the third paragraph of the Member for Klondike's motion, which says, "ensuring there is parity between the provisions of the *Yukon Northern Affairs Program Devolution Transfer Agreement* and devolution agreements being negotiated with the ..." — I don't have the exact wording in front of me, Mr. Speaker, but perhaps someone who has the Order Paper — "... being negotiated with the Government of the Northwest Territories and the Government of Nunavut". Well, at first read, this seems to be a positive idea, but I think it requires a little bit of a closer examination. We appreciate that the Premier is fond of taking a pan-northern approach, but some things are unique to each jurisdiction. Some things are unique in Yukon, such as our *Umbrella Final Agreement*; some things are unique within each of our sister territories.

So we think that the intent was positive, which was to make sure that Yukon is not left behind when one of our sister territories negotiates a better agreement, and that's a positive. However, we are not sure that this is a net positive the way it is currently written for Yukoners because we do operate on a different basis than do our sister territories. With that, we would like to propose a friendly amendment. It's not a very large amendment and we hope that the members will listen carefully and understand the reason for it.

Amendment proposed

Mr. Mitchell: Mr. Speaker, we would like to amend the motion.

I move that Motion No. 1303 be amended by:

Deleting from section (3) the words, "ensuring there is parity between" and replacing them with, "establishing as a basis for negotiations".

Paragraph 3, which currently says "ensuring there is parity between the provisions of the *Yukon Northern Affairs Program Devolution Transfer Agreement* and devolution agreements being negotiated" — so forth and so on — would be changed by deleting from section (3) the words "ensuring there is parity between" and replacing it with, "establishing as a basis for negotiations".

Just for the sake of clarity, I'll just read what it would then say, and then we can determine if it's in order: "establishing as a basis for negotiations the provisions of the *Yukon Northern*

Affairs Program Devolution Transfer Agreement and devolution agreements being negotiated with the Government of the Northwest Territories and the Government of Nunavut."

Speaker: The amendment is in order and reads as follows:

THAT Motion No. 1303 be amended by deleting from section (3) the words, "ensuring there is parity between" and replacing it with, "establishing as a basis for negotiations".

Is there debate on the proposed amendment?

Mr. Mitchell: *[Member spoke in French. Text unavailable.]*

There is a reason that we think the wording could be improved. The original wording referred to "parity". We are simply saying that ensuring there is parity is not necessarily the best goal for Yukoners. We're less interested, frankly, in whether there is parity on this issue between the territories and more interested in Yukon getting the best deal that we can for Yukoners. We hope that the government can appreciate that difference. For example, if the N.W.T. agrees to something in one area of its devolution transfer agreement that we don't like or would not necessarily benefit from, why should we be stuck with it? Why should we have parity? The converse is true. There may be things in our agreement that other northern jurisdictions don't want. Our territories are different in their makeup, both of their citizenry, what their natural resources are, and what their infrastructure needs are.

In the case of the N.W.T., for example, they have, so far, a real wealth in gemstones, in diamonds, that have not been discovered to any extent in Yukon. Both of our sister territories are far more dependent on flying in than are we to various areas within their boundaries. In our case, the mining upturn will require very significant contributions to road and highway infrastructure, perhaps rail infrastructure, as we have heard, and we are very wealthy with potential gold properties and base metal properties. All we're saying is that if we change the wording to say "establishing as a basis for negotiations," then that just sets the bar to that level and we go from there up, rather than simply saying "parity". We recognize that each territory is or will be to a greater and greater extent self-governing, a responsible government, and each territory is responsible for negotiating its best deal with Canada.

We think that ensuring there is parity could act, if it's interpreted to do so, as a limiting factor rather than an enabling factor. So that, in a nutshell, is why we think that "establishing as a basis for negotiations" would be a better place to set the bar and let each territory make the most of it, as they will and as they should.

We do view this as a friendly amendment. It's just meant to highlight the danger of basing our negotiating position on a parity arrangement with other jurisdictions. We think we should be looking out for our interests first and foremost and that's why we think this motion can and will be improved with a slight change in the wording.

We look forward to the input from all members of this Assembly, both on this amendment and, should it be approved, then on the motion as amended.

Hon. Mr. Fentie: The government side, though accepting the amendment as intended, has to point a few things out.

It's critical in the context of this debate but, first off, we all have to recognize that the N.W.T. does not have devolution; it has an agreement in principle, probably with much work yet to be done. Now as far as the issue of establishing their agreement in principle as a basis for negotiations, we have to reflect on that because it may change.

Secondly, we have to also reflect on the fact that we do have some differences here. In fact, in the Yukon as it exists today, there is a certain portion of resource revenues that flows to the Yukon at 100 percent, for which we have a formula for sharing with First Nations. In the existing AIP with N.W.T., there are some differences here that we have to be very mindful of. So the issue of parity in the context as presented in the motion is to keep this in a broader context, so that we can incorporate the good of what may happen in an eventual devolution agreement with N.W.T. and not lose the good that we have already achieved in our arrangement with the federal government.

Now I have to make a few other points here, because the debate we're having should also include some reference to statements that are made in this House about levels of revenue that Yukon has received. It is in fact incorrect to suggest that we've never reached the \$3-million cap. We have, on a number of occasions, been in excess of the \$3-million cap. But I think why that opinion can get formed is we have to also understand there are two distinct tracks of resource revenues in regard to devolution.

The first one is the actual transfer of oil and gas and all that goes with that, in terms of the sharing formula with First Nations and what we receive up to the certain threshold, and then how that is calculated beyond the threshold in 1993 dollars, I believe. So it gives us much more than the room that we have in the \$3-million range to a threshold. In fact, one could conclude that under oil and gas transfer, there is no cap. There is a provision, once we reach a certain level, to negotiate what we share.

Now, there is a second stream that's involved here, and that is the bulk of the transfer under the devolution transfer agreement of lands, waters, resources and so on. Therein lies the other challenge we have, in terms of what is net benefit to Yukon and how we proceed with that. "Reason for parity" is to reflect on the fact that there is much more to this than that one calculation of a specific resource royalty or revenue. There's much more to this.

First, we have to do all the calculation on offsets. This is a considerable challenge for territories in negotiating with the federal government — it always has been. Let me take us back some years. The old perversity factor for this territory was a disincentive, regardless of the level of resource revenues that we retain, or any other own-source revenues that we retain, because the perversity factor was actually a dollar plus.

So what happened in that regard, once we did all the calculations here in Yukon and commenced our next fiscal year —

all-inclusive, transfers included and own-source revenues included as calculated, the disincentive showed that in many cases we could very well have less fiscal capacity even though we had a growth in resource-revenue earnings and/or in the other measurable own-source revenue instruments which predominantly are areas of taxation. That has changed considerably today. The Yukon Party government, subsequent to or post-devolution transfer agreement, has negotiated a much different funding formula. The big difference in that, though there are many in the calculations, is the fact that we no longer have a perversity factor of a dollar plus. We have negotiated a retention of 30 cents on every dollar that remains in this territory for investments back into such things as we're already talking about here in the Yukon. To the government side, parity means that, regardless of the outcome for devolution in the N.W.T., we want to maintain exactly where we've got to, the level we've achieved in terms of our fiscal capacity and retention here in Yukon, and then look at how we can improve that.

That must be done with a very detailed calculation that is all-inclusive — all revenues, all costs, how the provincial-local expenditure bases are affecting us, how population growth affects us. All matters concerning the fiscal arrangement of the Yukon must be in the overall discussion, so that when we talk about specific changes to our retention of non-renewable resource revenues, it's based on the premise that we would again retain more than we already do, all-inclusive, the total, net benefit Yukon. That means, by formula, we would be sharing more directly with First Nations.

Let me touch on that for a moment, because there's a problem that exists with that particular area. Under the new financial transfer agreement with First Nations, Canada across the country, with all First Nations, is going to implement offsets to a level and time — I think it's 15 years in total — of 50 percent.

In other words, the offset that Canada will take back — let's call it a clawback — on all measurable, own-source revenues for First Nations, which includes this sharing arrangement we have here of resource revenues, which will result in — by the 15th year of the arrangement — a 50-percent clawback. So in that regard, we have to add another point: we are going to be very vigorous in our discussions with Canada on the point that if they proceed in this manner with First Nations under the financial transfer agreement as it relates to our formula and sharing of resource revenues, they are in fact double-dipping, because they calculate that revenue on the Yukon side and they now will be calculating that revenue specifically on a bilateral basis with First Nations. That's just one more point I'm adding to the debate so that we understand exactly what we're getting into and must be very careful in what we wish for.

Yukon could stand to lose here if we do not create the necessary business case to present to Canada that does some fundamental things. It helps us retain more than we already do with no loss in any area, regardless of its resource revenue or the representative tax systems or the drivers within the provincial-local expenditure bases and other calculations, including the census, by the way.

That's another calculation that is very important and we must be very diligent in how we accept the census, in terms of our population.

We also must be very careful in ensuring that any offsets in clawbacks do not, through the system, generate a net reduction to Yukon but, on balance, allow us to continue to retain at least no less than 30 cents of every dollar of own-source revenues, as calculated. If we can achieve more on top of that, another fundamental principle of the case presented to Canada will show that, not only is this net benefit Yukon, it will indeed be a net benefit Canada, so that the revenue streams in their entirety will generate benefit for both the federal government — the nation, of which the nation shares with us considerably revenues that are accrued from across this country. That's how the formula works. In fact, that's how equalization works, but there's a distinct difference there.

Our formula is driven by program expenditure. The equalization program is driven by revenue earned and our gap filler works for us because of the per capita measurement. You cannot calculate the expenditure needs of any territory without understanding that the per capita measurements are simply ineffective and are not realistic, so all these triggers are the basis for how we calculate where we've got to get to from where we are. Parity, Mr. Speaker, reflects the ability for us to keep this in the broader context and not tie us specifically to any agreement that the N.W.T. may reach.

So with that, Mr. Speaker, I'm sure that the Liberal leader as presenting this amendment recognized that that is a great basis for negotiation, but we would much prefer — the government side would much prefer — to even keep it broader, because there's much more to this than just what the N.W.T. may achieve in its negotiations, if they ever get to completing it. An AIP is, by the way, a long way from an actual devolution agreement; the Yukon can verify that.

I think members opposite recognize the number of years it took to go from an AIP to an actual agreement and then the actual implementation of said agreement and what we've done post-devolution and the implementation of April 2003 of the programs and services and the revenues as transferred and the design of the formula overall.

Mr. Speaker, the other principle and purpose would be to ensure that Yukon remains competitive, and that is important because we need to allow our taxation regimes and our chargebacks to the private sector to be an incentive to invest and develop here in Yukon. That is much talked about nationally and internationally these days. It should be no surprise, given that point, why the Yukon is now placed at fourth in the world, out of 51 jurisdictions, as an attractive place for mining exploration, development and production. In the context of this debate and the motion as laid out, outside of this particular area of parity, there are issues here that are important for us to address within the devolution transfer agreement.

For the Liberal leader to ask why it took nine years, let me counter by asking: why did it take way over a decade to actually get to a devolution transfer agreement? Why is the sky blue?

The point is we are moving in the context of ensuring that we're not going, as the Third Party leader said, hat in hand to Ottawa. We never have. The Yukon Party government has consistently gone to Ottawa — not with an ask, not with a "gimme" — with an offer, because of what Yukon can do within our borders, benefits overall.

In the devolution transfer agreement, there are areas that are problematic. Let me reference one in particular: wildfire suppression. The calculation here is based on historical data, and I believe they also included a year of the highest cost to fight fires. In using that particular formula or calculation, there's one glaring omission: the risk factor — the ever-escalating risk factor — of wildfire here in Yukon and how that affects what should be an escalating cost factor in fighting fire.

The simple reason for that is because each year, our forests get older; therefore, each year, the risk of wildfire increases. When you add to that things like climate change, change in biodiversity, rainfall patterns, snowfall patterns, run-off and all these impacting factors, it should have been a provision in the agreement, as it exists, to incorporate that escalating risk and how that translates into escalating cost. So there is one area, in particular, that we have to deal with because there is a set transfer for that cost.

We have to reflect on this fact: one year after actually implementing devolution, the Yukon experienced the highest cost ever in fighting forest fires — proof positive to us in making the business case that the existing formula in the devolution transfer agreement, when it comes to wildland fire suppression, is suspect. That's just another example of the complexities and the challenges that we face in ensuring we maintain "net benefit Yukon" — that's what it's all about.

So, with all due respect, Mr. Speaker, the amendment in terms of what we're trying to achieve in regard to net benefit Yukon — whether we compare ourselves to the N.W.T. or otherwise — does not serve the overall purpose for our territory. I would encourage members opposite to recognize why the wording is as it is. It keeps us in a position to be able to incorporate all matters related to net benefit Yukon as is reflected in our fiscal position once all calculations are done.

Overall, I think the motion, in its full context, speaks for itself. It is work that we have commenced and work that we must do, but also we have to make sure we have a willing partner on the other side of the table who wants to discuss these matters. That's a critical issue. We must ensure we maintain our supreme effort in ensuring that the federal government is a willing partner to discuss these matters. The resulting intent would be to reach net benefit Yukon, but at the same time, realize our actual costs in certain areas, but also of the fact that Canada will realize there is good purpose in what we present to them because not only net benefit Yukon will occur, there will be net benefit Canada as a nation.

Ms. Hanson: Mr. Speaker, actually on the amendment, I was hopeful at the outset there that the tendency of the Yukon Party to sort of veer into a logorrhea, sort of speaking to everything else and at length, was actually not going to have

been manifest this afternoon, but unfortunately that's where we went.

With respect to the amendment here, I think that the Yukon NDP had in fact said — and will continue to say that we understand and support the Member for Klondike in bringing forward this motion. I have to say, after the exchange here, that I would offer that both the Yukon Party and the Liberals are somewhat misguided perhaps in the language that has been chosen here.

Some Hon. Member: (Inaudible)

Ms. Hanson: Well, as the Premier raised the point that Nunavut and Northwest Territories are only at a stage of agreement in principle — it's a very long time — I wouldn't jump to conclusions that the deal that they've negotiated is in fact the deal that they'll be signing in a year, 10 years, how ever many years it will take them to conclude that.

It's assuming and putting a lot of hope and faith, and what we're really talking about here is hope that somebody has a better deal and we're going to get it.

If the intention here — and what I've heard from the Premier here — is that, if in fact there is an outcome that has a net benefit, could be transferred as a net benefit, to the Government of Yukon, of course we would support that. But assuming that parity — we could be wasting a lot of effort here with respect to going for parity as it could be a backward step. I would suggest that, if you're really talking about the basis of negotiations for the Government of Yukon with the Government of Canada on these matters, then that's really what we're talking about. What we would be looking for is incorporating those provisions of the transfer of authority to either/or of the Government of Northwest Territories and Nunavut as being the basis for our negotiations.

As the Liberal Party was saying, if you put it as the basis of negotiations, you then are into the parity argument. We would much prefer that some consideration be given to the terms of those agreements, so we're not locked in. I think both the Yukon Party and the Liberal Party are locking themselves in and either striving for parity with what those folks may get or saying that's the basis for negotiations because having been around the negotiations field for a very long time, I think you want to take into consideration what they get and screen it.

We could live with the original wording. I think the revised wording doesn't add anything to an already sort of nebulous and potentially backward step that the Yukon Party has proposed here. Ultimately, what will happen is that the Government of Yukon through consultation — which we will be encouraging — will be establishing some principles for engaging with the Government of Canada and we will have to assess, as Yukoners, whether we've achieved parity or not. I don't think that the Government of Canada is going to accept one way or the other that it's parity; we will have to assess that.

It's really a moot point from the Yukon New Democratic Party's perception as to whether the original wording or the amended wording works. The key parts of this motion as put forward by the Member for Klondike really are (1) and (2) and we do, of course, support that.

Mr. McRobb: I'll be speaking in favour of this amendment to the motion, and I will speak just briefly on the motion itself. It really feels good to be discussing something today that's of value and interest to Yukoners. I've called on the government side to bring in for debate motions like this in the past and it's a very rare day when we actually have the opportunity to discuss something that isn't either a fait accompli or some back patting for something the government has already done or motions that urge the government to do something when you know it should already be doing it. This motion today allows us to discuss something of great importance to the Yukon that has just started — the process has just started — and it could take a decade to complete, as some members have already mentioned. So, I do congratulate the government for finally allowing us to have this conversation today.

Now, as far as the amendment itself goes, the mover of it made some arguments in support. I would like to be brief and just add a few more arguments. First of all, in the N.W.T., there is a lot of disgruntlement with the agreement in principle it currently has with Canada and that's what caused us to take a second look at this third clause in today's motion. We asked ourselves, do we really want to get locked in to what the N.W.T. is willing to settle for?

Now, the Premier made an argument that the word "parity" in the motion as it exists keeps this broader. He said it "keeps it in a broader context", were his exact words. Yet, I heard the Leader of the Third Party say that replacing it with the word "basis" actually achieves a broader context. I would agree with the latter proposition.

Allowing those other agreements to provide a basis for negotiations does allow us to consider whatever arrangement we might achieve with the federal government to consider it in the broader context. As she pointed out, parity could be part of the argument in that broader context of a basis for an agreement. The word "parity" itself applies specifically to something, whereas the term "basis for negotiation" is broader in context.

This amendment, once again, replaces the words "ensuring there is parity between" with the new words "establishing as a basis for negotiations". If it truly is all about net benefit for the Yukon, why should we just lock ourselves into parity that is out of an agreement reached by the other territories?

The Yukon government of the day should be negotiating the best possible deal with the federal government about royalties related to our resources. These are greater than just mining resources. It's oil and gas resources as well. First Nations are an important part of all of these discussions regarding royalties. We've heard some attribution of that already today. But let's ask ourselves: does replacing the word "parity" with "basis for negotiations" somehow harm the Yukon First Nations? Of course not. It would enhance the First Nation position, because it doesn't lock the territory into a specific deal that is reached by others. Merely agreeing to do whatever somebody else negotiates is like the Yukon government taking a back seat. Is that what Yukoners want — their government to take a back seat in negotiations?

I don't think so. The Official Opposition, the Yukon Liberal Party, doesn't think so. The Yukon government should be

on the front line arguing the best arguments for the future of the territory with the federal government and achieving the best possible agreement. The Yukon shouldn't be content to take a back seat position and let other jurisdictions argue what we're willing to settle for. That's the bottom line.

I would like to also follow up on what the Leader of the Official Opposition said in his examples about the base metal prices and what the resource royalty revenue stream could mean to the Yukon. It's a significant amount. Petroleum prices are at high levels; commodity prices are at high levels and, in some cases, near record levels, especially gold and copper. What will the future bring? Anything between boom and bust. We don't know.

Hopefully, the mining super-cycle or commodity super-cycle continues for years to come. But what I want to put on the record is some examination of tying our resource royalty cap to the GDP. I haven't heard any of these arguments from the government side yet and I want to — from what I have to say — encourage that discussion. Let's talk about the ramifications of tying our resource royalties to GDP, as is proposed in the other territories. Well, in the few minutes I had this afternoon, I asked myself the question: what would be the ramifications of doing that? Well, something that came to mind is that the Yukon Territory will need big dollars to build expensive infrastructure for emerging mines in the future. That's pretty much a known factor.

This infrastructure could be to build energy supply, or transmission lines, could be for roads, housing, schools, hospitals, et cetera — there is also the increased services component, but this argument is highlighting the capital expenditures. For instance, the cost of building one large hydro dam could be easily in the billions of dollars. Can the Yukon afford to take on such massive debt without some revenue stream to help offset that huge burden? Mr. Speaker, I would argue, no. The Yukon Territory would need help to ever enter into any type of an agreement to build a megaproject of that magnitude.

So where is that help going to come from? Well, if we tie it to GDP, it won't come from the royalty stream once the new mine is on-line; we know that. GDP is a snapshot of past production. What I'm talking about is expenditures required in advance of that royalty revenue.

We know that building a large hydro dam will take at least a decade to go through the approvals and construction period. It could be more; it could be more like 15 years. So, Mr. Speaker, what happens with respect to the Yukon's position in that 10 to 15 year lead time before the Yukon's GDP reflects production from that mine? Well, there's no help from the federal government if we tie the royalty stream to GDP, is there? How can we possibly build this expensive infrastructure and have it ready when it's needed without having a revenue stream in advance of yesterday's snapshot? That is the question.

Whatever formula the Yukon agrees to with the federal government must provide for revenues in advance of big mines that emerge down the road. That would enable the territory to build the infrastructure necessary so it's there in time.

If we're not able to do that, the territory's development will be willy-nilly and knee-jerk and maybe even non-existent.

In terms of energy production, in the absence of having the ability to afford to build a large hydro dam, for instance, we know what would happen. We would be providing power for that mine by diesel generation, which is basically a last-minute stop-gap measure, a temporary measure. The reason it would be temporary is because the territory, and certainly the electrical ratepayers of the territory, could not afford a billion-dollar investment starting 10 to 15 years ahead of when this big customer would come on-line to help share those costs.

We need some formula that moves away from future GDP to allow a revenue stream to the territory so it can build the infrastructure needed long in advance of when a large mine comes on the system — simple as that.

Now, if there is some recovery component after the fact, it deserves to be looked at too. The federal government may insist on something to that effect. But I would suggest in my time speaking to this amendment today, that that is a very important aspect of today's debate — not tying ourselves into something that will be deemed inadequate someday when we reach that day and realize it doesn't allow us to do what needs to be done. We need to look ahead, try to envision these examples, try to perceive what is needed and accommodate for those needs in whatever is agreed to with the federal government. So, once again, I'm grateful to have this opportunity to contribute to this debate on a matter that is just starting to evolve, rather than something that is already completed.

Hopefully, I have given some constructive input that can either be accepted or ignored by the government — it's usually the latter, but whatever — and if this government doesn't do the right thing, at least Yukoners will have an opportunity later this year to elect the government that will do the right thing. Thank you.

Speaker: Are you prepared for the question on the amendment?

Mr. Fairclough: Mr. Speaker, I'll be brief in my comments to this amendment that has been brought forward by the Member for Copperbelt. The Yukon Party side has said constantly that the opposition should bring forward constructive debate and to make improvements in this House. We brought forward what we think is a friendly amendment. It doesn't change the motion as it was presented by the Member for Klondike; rather, it is a few words that could show Yukoners that yes, the Yukon government is going out and trying to lead and not follow, fighting on their behalf for something better here in the territory.

That is really the basis behind the few word changes that we have in this amendment. I'm hoping that the Yukon Party would take it a bit more seriously and maybe have more comments with regard to this. We know that the Northwest Territories is negotiating a devolution agreement and it sounds like there are portions of it in there that might be a little better than what we have here in the territory. So let's use whatever they get and whatever they have established to date as a basis to go forward and fight for something better in the Yukon. That is why those wording changes are there.

If there is ever perhaps something that we can think about as an example — I brought this up before — when First Nations negotiated their final agreements — or the UFA — that was used as a basis for something better for their own traditional territory. They did use it as a basis and they did come up with something better that is fine-tuned to their own traditional territory. We can do the same thing for the Yukon Territory.

We can look at what the Northwest Territories have to offer in their devolution transfer agreement, what they're achieving — use it as a basis and try to lead the process here for Yukoners and not follow and basically sign on the dotted line and say, "Well, we're at least at parity between the Northern Affairs program and the devolution agreement."

So I'm hoping that perhaps more of the Yukon Party members opposite can speak to this. It's all about leading the way, fighting on behalf of Yukoners, trying to make some improvements in our agreements, the devolution agreement, and doing the best that we can, and not fall to any less than what the other two territories have. I think we can do that. I think the members opposite, if they look at it closely, perhaps would agree with us on this side of the House, that this is a good way to do that and a good message to send to Yukoners, rather than basically saying whatever comes up in the Northwest Territories, we will try to get too.

We should rather fight even harder and see if we can get something better and use those as a basis for negotiations. It's simple. I think it's a friendly amendment and I think it really shows to the general public and to Yukoners that we're willing to do the hard work, get out there and bring something better back to the territory.

Speaker: Is there any other debate on the amendment? Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Disagree.

Hon. Ms. Taylor: Disagree.

Hon. Mr. Hart: Disagree.

Hon. Mr. Kenyon: Disagree.

Hon. Mr. Rouble: Disagree.

Hon. Mr. Lang: Disagree.

Hon. Ms. Horne: Disagree.

Hon. Mr. Edzerza: Disagree.

Mr. Nordick: Disagree.

Mr. Mitchell: Agree.

Mr. McRobb: Agree.

Mr. Elias: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Ms. Hanson: Disagree.

Mr. Cardiff: Disagree.

Mr. Cathers: Disagree.

Clerk: Mr. Speaker, the results are five yea, 12 nay.

Speaker: I declare the amendment defeated.

Amendment to Motion No. 1303 negatived

Speaker: Is there any debate on the main motion?

INTRODUCTION OF VISITORS

Speaker: Prior to that, honourable members, I'd like you all to join me today in welcoming the Hon. Alvin Smith from the Bahamas House of Assembly. Mr. Smith is the Speaker of that House, so welcome, sir.

Applause

Speaker: Is there any debate on the main motion?

Hon. Ms. Horne: I rise today to speak to this motion regarding the devolution transfer agreement. I want to begin by saying that I've always believed in local control over local matters. Devolution is the process of transferring authority from one government to the other.

Over the years, there have been a number of responsibilities devolved to the Government of Yukon from the Government of Canada, the most recent being the transfer of land and resources. Part and parcel of devolution is the financial capacity to address these matters. I know that our government has worked very, very hard to rebuild our economy. We campaigned in 2002 and 2006 on our record of fiscal competency. Mr. Speaker, despite the wailings from the members opposite, the facts of the matter are that Yukon's economy has not just survived but has been revived and then thrived under our watch. We have worked to rebuild the economy so we can generate more own-source revenues. We have to locate devolution within the context of Yukon's constitutional development.

So before I talk about devolution, I want to talk for a few minutes about the Yukon's constitutional trajectory toward increasing more responsible local government. In preparing for today's discussion, I did some research on this matter on the Yukon government's website and I want to mention that I am deeply indebted to the officials in the Yukon government who prepared that website.

I found it very helpful. I am reminded of discussions I have been a part of and speeches I have heard that spoke about Yukon being run from Ottawa. I know all of us here have experienced the frustration of someone living far away making very important decisions about our lives. In 1898, the Parliament of Canada passed *The Yukon Territory Act, 1898* and established Yukon as a separate geographical and political entity within the Canadian federation. The *Yukon Act* established a Yukon government made up of a Commissioner and a territorial council of four, all appointed by the Government of Canada. The Commissioner had a broad, broad range of powers. In 1902, Yukoners gained the right to elect one Member of Parliament to the House of Commons. By 1909, the territorial council was an entirely elected body of 10. In 1975, the Parliament of Canada amended the *British North America Act* to allow for the appointment of one senator from Yukon.

Yukon's Senator and Member of Parliament are important as they are supposed to represent Yukon residents' views. As an aside, I want to thank the Yukon Senator for the many phone calls and e-mails to my office from him and his staff on behalf of Yukoners' requests. I appreciate his interest and assistance in advancing many of these files that represent Yukoners' view and values — thank you, Senator.

My point here is that the trajectory has consistently been a greater Yukon control over Yukon matters. On October 9, 1979, then Minister Jake Epp issued a letter that instructed the Commissioner of Yukon to act on the advice of the government leader. Steven Smyth, in his article in the *Arctic Journal*, "Constitutional Development in the Yukon Territory: Perspectives on the 'Epp Letter'" when reflecting on the executive committee established under Commissioner James Smith's watch, which was about a decade prior to the Epp letter, writes that the executive committee proved to be a valuable mechanism in the Yukon's constitutional evolution.

Over the next eight years, the composition of the committee changed to reflect the growing influence of elected representatives, as additional elected members were appointed. Non-elected appointees were dropped.

However, since the Commissioner was to be guided by, but not required to follow, the advice of the committee, this advisory role was an irritant to the elected members who, by 1978, constituted a majority on the committee. They felt it was undemocratic and colonial to have an appointed Commissioner involved in policy-making. It was in this context that the Yukon pushed for greater control over local affairs.

This led to the Jake Epp letter in 1979, which instructed the then Commissioner of Yukon, Ione Christensen, to request of the territorial government leader that he should constitute and appoint a body known as the Cabinet, or the Executive Council, which would have, as its members, those elected representatives of the territorial council, who are designated from time to time by the government leader, who enjoys the confidence of the council. On the advice of the government leader, you shall assign department executive responsibilities to the appropriate members of the Executive Council.

My point is that Yukon has consistently been moving toward greater local control over local matters. That brings me to the devolution transfer agreement that came into effect on April 1, 2003. The governments of Canada and Yukon spent several years negotiating this transfer and framework for change. In October 2001, the devolution transfer agreement was finalized. On April 1, 2003, a new *Yukon Act* came into effect, giving the Government of Yukon direct control over a greater variety of provincial-type programs, responsibilities and powers.

These expanded authorities enabled Yukoners to have more say over their economic future and the ability to respond quickly and effectively to issues as they arose. The Government of Yukon is now responsible for public lands and resource management over water, forestry and mineral resources.

I want to note that the fire suppression fund, which is covered in chapter 5, states that Canada shall provide the funding referred to in section 7.13 to the Yukon territorial government for fire suppression transition, where in any fiscal year within

five years from the effective date, the Yukon territorial government fire suppression expenses within the categories listed in section A of appendix G, fire suppression, exceeds \$6.5 million, as adjusted from time to time by the PAGE, which means the annual population adjusted gross expenditure escalator. As described in the formula financing agreement, Canada and the Yukon territorial government shall share such expense.

The formula calls for Canada to carry 80 percent of the costs in year 1, then this amount declines by 10 percent per year until year 5 when Canada pays 40 percent of the costs and Yukon pays 60 percent.

In year 6 this expense is borne completely by Yukon. I would note that, in 2004, Yukon experienced an extreme fire season, so Canada gave Yukon \$7.5 million and, in one season, we went well over \$20 million. Clearly, the amount provided by Canada is not enough to fund our operations.

One number I heard that just amazed me was that, of all the forests that burned in Canada in 2004, 70 percent were here in Yukon. I am also given to understand that, at one point, we were spending around \$1 million per day on fires. As it was, the zone policy, which is mentioned under 5.6, created issues because it limited the amount of land in the land quantum on which Canada would pay to fight fires.

While we did not negotiate the deal — that happened under the Liberals' watch — we had to make that deal work. I know from touring the fires in my riding that they can move very quickly and that fighting them can consume a lot of resources. I know the day I was out in the helicopter, I happened to witness a fire cyclone, which apparently you don't see very often. The fire was carried by the cyclone very, very quickly through the area.

I do agree that we need to examine this fund. It clearly wasn't large enough to accommodate an abnormal fire season like we had in 2004. Having watched what has happened in Alaska in the last few summers, I think it is reasonable and prudent to prepare for more fires as our forests age and burn more quickly and more readily.

When I look at the situation near Kluane, it is pretty clear that a forest fire in that area could place a heavy draw on Yukon's resources. I'm given to understand that Yukoners in the area offered to log the trees while they were still healthy and usable, and therefore valuable. However, DIAND ignored the spruce beetle and now we have a situation that is definitely not good. It is only fair and reasonable that this amount be revisited, given what we learned from the 2004 fire season and what we know of the situation in the Kluane area.

Before I leave this point, I want to challenge the members opposite. For the last four and half years, I've been listening to them complain that we are getting too much money from Ottawa. What areas are they going to cut to make money available for the fire program? Now, I'm sure the Member for Coppebelt is going to tell everyone that we should return the money to Ottawa. I keep waiting to hear which programs the Liberals are going to kill and what services the Liberals will cut so they can write a refund cheque to Canada.

Some Hon. Member: (Inaudible)

Point of order

Deputy Speaker: On a point of order, the Leader of the Official Opposition.

Mr. Mitchell: Mr. Deputy Speaker, in recent days, the Speaker has ruled consistently that members should not take liberties with putting words in other members' mouths and I think this is coming close to imputing motive as well under Standing Order 19.

Deputy Speaker's ruling

Deputy Speaker: On the point of order, I feel that the point of order is just a dispute between members, so therefore, it's not a point of order. Minister of Justice.

Hon. Ms. Horne: Thank you. And for all the talking, the Liberals haven't mentioned which departments are on the chopping block. From their comments in Question Period, I'm guessing health care could be in for a big hit. If you get sick or injured any place other than Whitehorse, God help you because the Liberals won't. As a rural MLA, I find their cavalier attitude toward rural health care odious.

Here is what the *Canada Health Act* says, that its goal is, and I quote here: "to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health [care] services without financial or other barriers", and that is exactly what this government is doing. We on this side of the House are doing our best to uphold the *Canada Health Act*.

I would like to ensure that there is parity between the provisions of the *Yukon Northern Affairs Program Devolution Transfer Agreement* and the devolution agreements being negotiated with the Government of Northwest Territories and the Government of Nunavut. The fact is that the territories are inheriting areas of responsibility from Canada that come with a price tag attached.

All we are asking for is to be treated fairly in the north. Canada insists that we provide comparable levels of service; we the government are simply asking that Yukon be treated the same as Nunavut and the Northwest Territories.

Günilschish.

Ms. Hanson: We thank the Member for Klondike for bringing this motion up for debate. I will tell you now that we will be bringing forward some amendments, which we think are friendly and we think will strengthen this motion, but first I would like to speak to the motion as tabled.

Generally, as I said, we support the motion, but we think it could be stronger. As I brought up in Question Period, we agree that we need to look at the devolution transfer agreement. Its time has passed, as members have spoken to at great length already. The devolution transfer agreement was originally signed in 2001 with work then following to develop the legislation — the effective date of that legislation and the agreement being April 1, 2003. As we all know, there are review provisions in the devolution transfer agreement. I'm sure that over the course of the last eight years the government has taken it upon itself to implement or bring forward some aspects of those reviews, but as the government has put forward a motion

to now look at a more comprehensive review and identified in its motion two main areas for that review, we think we would agree that it is time to sit down with Canada and come up with a fair deal for Yukoners. Really that is the crux of the issue.

It really will turn around and turn on the issue of what is a fair deal. How do we know that it is a fair deal? From the NDP's perspective, we will know that because we will have spoken with the people. We believe that it's very, very important that any determination of the principles that will guide the conversations that we have with Canada to renew and reopen elements of the devolution transfer agreement — that we should do that based on an informed perspective, and the information, the basis for that, really does come from broad-scale consultation.

As I said earlier today, there is a growing consensus, with some differences, that we need to look at the DTA. We heard some discussions earlier this afternoon about some of those differences. We agree that we need to look at this, but that there is more to it in terms of getting a fair deal for all Yukoners than going to Ottawa with positions that are developed only within the confines of one party — only within the confines, for example, of the Yukon Party. We think that there are legitimate perspectives from many other points of view within the Yukon, so we wholeheartedly endorse the idea of opening and re-engaging in discussions on elements of the devolution transfer agreement, but we really don't think it should be based on the determination of those factors by the Yukon Party.

There's more to getting a fair deal than just sending the Premier off and seeing what he gets. To ensure success, the NDP believes we need to build a common front that all Yukoners are part of. We believe we can only do this through engaging Yukoners and through starting a very public debate on what a fair deal is.

Such a debate needs to go beyond just the \$3-million cap, and it needs to look at the whole of the spectrum of the royalty regime. The Premier spoke earlier this afternoon at some length about a number of issues, some of which were actually connected to the motion for debate this afternoon. He only referenced one aspect of the royalty regime, which was Yukon oil and gas and, in fact, we believe we need to open that discussion much broader and we believe that Yukoners are ready and want to engage in that.

We get more money from campground fees than we do as a royalty from mines in the Yukon at this moment.

Some Hon. Member: (Inaudible)

Ms. Hanson: I'm looking forward to it.

In fact, the Premier referenced earlier that we have come close or actually exceeded \$3 million in royalties — not mineral royalties; we have that in oil and gas — and this is not because of Yukon's rules or Ottawa's rules, but because of rules that we've crafted in Yukon. We're operating under a mining royalty structure that is determined from the profits of the mining company. In determining the mining royalty the public government receives in Yukon, we know that the regime, as was explained to us yesterday by the Minister of Energy, Mines and Resources — that it is difficult to know what the anticipated mining revenue from many of the operating mines are

because he said it's a convoluted process that, it's complicated and we really don't know. But you know, Mr. Speaker, that's not how everyone in the Yukon does it. What we're suggesting is we need to have a broad discussion to talk about what are the options and the alternatives to the existing systems and existing regimes for mining royalties in the Yukon.

Yesterday and numerous times previous — because there is a tendency to repeat certain pieces of information over and over and over again in this Chamber — we heard again from the Minister of Energy, Mines and Resources that the Selkirk First Nation recently got a royalty cheque from Capstone for \$6 million, based on the value of minerals sent for processing last year.

Their agreement with the mining companies says they get 0.5 percent through what is called a “net smelter return”. That kind of royalty is based in the value of minerals brought to the smelter, based on — that would indicate that there was a significant profit from that company in order for them to provide a \$6-million royalty. That's a lot of money and this is a really clear form of royalty, but it's not the only one. We've had the other regimes that are existing in the Yukon, but this is one. It's what this First Nation got in terms of royalties and it's what prospectors or mining companies go for when they sell their claims and properties to another party. So you know, I'm not saying that there's one system or another system that's better, but what I am saying is that there are many points of view. I think that it's important that we be prepared to engage in that conversation, not to simply say that the way we have it — as one of the speakers for the Yukon Party spoke earlier — we are in another gold rush. But you know what? We don't need to persist to being in a gold rush at gold rush rates of return. This is not the 19th century. It's the 21st century and Yukoners expect a fair rate of return for their resources.

One other thing that's really important is that when we look at this we talk about the importance of renegotiating the amount of revenue that the Yukon government will retain for the benefit of its citizens now and into the future.

One of the aspects I think Yukoners would like to talk about, as we look forward, is how we build into the financial arrangements with Ottawa fair consideration to the future legacy for our children and our children's children. As was mentioned today in the conversations, and in many conversations around this territory, people are aware that we're talking about, for the most part, non-renewable resources. Once we've extracted these resources, they are gone. What we need to be thinking about is how we ensure there is a legacy going forward.

We've seen examples around the world. We have a number of examples of non-renewable permanent funds. We have one in Alaska; the Alberta heritage fund; and Norway. There are many options that we can look at that will allow us as Yukoners to ensure that, once we've been successful in extracting the non-renewable resources and maximizing the current economy and the social and economic benefits to Yukoners, that we have not left our children and our children's children with nothing to rely upon into the future.

That was the wisdom of the kind of thinking that Peter Lougheed, a good Conservative, had in Alberta when he established the heritage fund. That's the kind of thinking that existed in Norway and in Alaska. I'd suggest that we will learn a lot as members of this Legislative Assembly if we are open to listening to our fellow Yukoners about the kinds of principles upon which we would like our elected representatives, in cooperation with Yukon First Nations governments, as they engage in the discussions — these very important discussions with the Government of Canada to look at aspects of the devolution transfer agreement — that we will be enriched by that conversation among Yukoners — all sectors of the Yukon.

So with that in mind — and I think I've mentioned this before — it's my preference that we speak — that I speak — I will not speak for others. I cannot speak for others, but I will just register that I was under the impression that when we are charged with the responsibility of being elected that we would try to keep our focus on the issue at hand. So, the issue at hand this afternoon is the motion put forward by the Member for Klondike. I mentioned at the outset that the New Democratic Party would like to propose a friendly amendment to Motion 1303. I would suggest that there are a couple of points that I would like to make prior to introducing that.

The main point is that, as I have referenced in terms of opening the conversation and being enriched by the viewpoints of all strata of the Yukon society, I think that really speaks to democratizing the debate. We believe that First Nations, municipal governments, labour, industry — the general population — needs to be part of this debate because we are changing, and hopefully for the better, some of the fundamentals of the fiscal relationship and the fiscal basis for the growth of this territory. I don't think we want to be arbitrarily hamstrung by the kinds of constraints that exist under the current notion of a \$3 million, or whatever else cap. We are much more creative than that as Yukoners, and I think we have the opportunity to build on it.

By all means, we think we should review and discuss the DTA with Canada, but as I said, let's do it based on talking with Yukoners about changing our rules, the ones that we're responsible for. Let's show Canada, show the world, that we are actually accountable and responsible stewards of our resources and that we can think forward to the implications of the day when we won't have the vast wealth of resources that we currently have. That will come at some point. It's not in the immediate future but it is foreseeable, so we need to make sure that we've got all of these factors considered. The more we do that, the more we can be assured that we have complete buy-in from the Yukon population. Then I think we know that we have a good deal.

There are lots of other aspects of this conversation but, as I said, I'd like to keep it focused. I would point out that there have been a number of issues discussed this afternoon, including the health transfer, which I would point out — I couldn't help this — has nothing to do with the devolution transfer agreement. It was concluded a number of years prior. It's interesting to hear — sort of — the points of view, at times, but let's try to keep it focused.

We may find — and this is why I think it's important to have the opportunity to reflect upon these motions that are brought forward for discussion — that there may be other matters around the devolution transfer agreement that the public wants to talk about and they want their elected representatives to raise, in addition to the two main categories that were identified by the Member for Klondike.

We would suggest that we not be so prescriptive in terms of saying, "This is the focus of our discussions with Ottawa." You'll see in my proposed amendment that there is a simple way of addressing that.

With that said, I would ask the indulgence of the Speaker because I've not done this before. So would it be the preference of the Speaker that I simply read the amendment and then say what I'm saying, and then read the whole motion as it sounds?

Speaker: Read the amendment first, please.

Amendment proposed

Ms. Hanson: Okay, thank you, Mr. Speaker.

THAT Motion No. 1303 be amended by:

(1) adding the phrase "Government of Yukon, prior to asking the" immediately after the phrase "THAT this House urges the";

(2) deleting the phrase "in relation to the following:";

(3) adding the phrase "to have a discussion with First Nations and other levels of government, the mining sector, labour, and the general public on creating common principles that will guide Yukon's review and discussion of amendments to the devolution transfer agreement and that this discussion with Yukoners include, but not be limited to:" immediately after the phrase "October 29, 2001"; and

(4) inserting immediately after clause (3) "(4) Modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon's mineral and resource wealth."

Mr. Speaker, I have the completed text if that would make more sense to read that in.

Speaker: Allow the Chair to first have a look at the amendment, please — or the proposed amendment.

Order please. The amendment is in order. I would ask the Leader of the Third Party to read out the motion as amended, please. I'll read the amendment first, and then the honourable member will read the motion as amended in its entirety.

It has been moved by the MLA for Whitehorse Centre

THAT Motion No. 1303 be amended by

(1) adding the phrase "Government of Yukon, prior to asking the" immediately after the phrase "THAT this House urges the";

(2) deleting the phrase "in relation to the following:";

(3) adding the phrase "to have a discussion with First Nations and other levels of government, the mining sector, labour and the general public on creating common principles that will guide Yukon's review and discussion of amendments to the devolution transfer agreement and that this discussion with Yukoners include, but not be limited to: "immediately after the phrase "October 29, 2001";

(4) inserting immediately after clause (3) "(4) Modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon's mineral and resource wealth."

Ms. Hanson: Then the motion as amended would read:

THAT this House urges that the Government of Yukon prior to asking the Government of Canada to amend the *Yukon Northern Affairs Program Devolution Transfer Agreement* signed by the Yukon government on October 29, 2001, to have a discussion with Yukon First Nations and other levels of government, the mining sector, labour, and the general public on creative common principles that will guide Yukon's review and discussion of amendments to the devolution transfer agreement, and that this discussion with Yukoners include, but not be limited to:

(1) changing the provisions of chapter 5, Forest Resources, and the \$7.5 million for fire suppression transition set out in chapter 7.13 to ensure the Government of Yukon receives appropriate compensation for fighting forest fires in order to address the risk of fire in the boreal forest including the spruce-bark beetle infestation that occurred in the Kluane region under DIAND's administration;

(2) increasing the \$3-million cap on Resource Revenues set out in chapter 7.21.1(a) net —

Some Hon. Member: (Inaudible)

Ms. Hanson: Sorry, I stand corrected — chapter 7.27.1(a) Net Fiscal Benefit to enable the Government of Yukon and Yukon First Nations to receive more benefits from resource development in the territory while promoting greater economic activity with the corresponding greater economic return to the Government of Canada;

(3) ensuring there is parity between the provisions of the *Yukon Northern Affairs Program Devolution Transfer Agreement* and devolution agreements being negotiated with the Government of the Northwest Territories and the Government of Nunavut; and

(4) modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon's minerals and resource wealth.

We've spoken a lot — I'll just speak to one aspect of this. We haven't tried as other parties might to confine the nature or to define the kind of discussion that should ensue between the Government of Yukon and all Yukoners. We think that there are many opportunities for different forums to be established to ensure that we, both on this very important matter, are receptive to the ideas that all sectors of the Yukon have — in particular, with respect to ensuring that the Government of Yukon and Yukon First Nations receive more benefits from resource development in the territory, while promoting greater economic activity.

I think the premise of part 2 of this motion that the Member for Klondike put forward is enhanced and made more clear because then we speak in part 4 to this amended motion. It's really clarifying that what we're prepared to do in 2011 is actually begin to talk about modernizing and taking into consideration the views of all Yukoners, all sectors of the Yukon, ensuring that we get both a fair return on the resources that rightfully

belong to all Yukoners — and not just to the Yukoners of today, but the Yukoners of the future.

I commend this amended motion to the members present and I very much look forward to a constructive and positive debate on the proposed amendment.

Hon. Mr. Fentie: I share the Leader of the Third Party's view about having a constructive debate, so let's start with comments like, "We get more out of campground fees than we do out of royalty revenues in this territory." How in the world is that constructive? It's ridiculous to even suggest such a thing in the context of what's happening in today's Yukon, after what Yukoners have achieved after years of negotiations with the federal government.

Now, we know what the NDP thinks of the mining industry and I think the industry and the Yukon public recognizes what their position is and all the more power to them. That is their position but that's not the situation in the Yukon.

Let me point something out. Comparing us to the heritage fund in Alberta is also a complete fallacy. Albertans own their resources. They are a province clearly defined within the Constitution and ownership is a part of that.

The devolution transfer agreement that was agreed to here in Yukon after years and years of negotiation — and I'll get to the role of the department that the Third Party leader has recently come from. After all that, we did not negotiate ownership.

Some Hon. Member: (Inaudible)

Point of order

Speaker: On a point of order, Leader of the Third Party.

Ms. Hanson: On a point of order, we've heard previous reference to not making direct personal references to opposition members, or others, and in fact, it's not recent, sir.

Speaker's ruling

Speaker: The rulings in the past, Leader of the Third Party, have been when those references were used pejoratively. From my perspective, that instance wasn't used pejoratively; he simply mentioned your former employer and place of employment. From the Chair's perspective, I don't believe it's a point of order.

Hon. Premier, you have the floor.

Hon. Mr. Fentie: Thank you, Mr. Speaker. Back to the point: to suggest in the context of a constructive debate that we should be comparing ourselves to provinces like Alberta and what that means and the situation in Alaska with the permanent fund is actually not a constructive debate at all, because it does not reflect who we are and the differences that exist.

Yukon did not negotiate ownership of resources, of lands, of water — it negotiated an agreement with Canada that saw us transfer management and control of these matters to the Yukon government so that decisions were made locally. But the ownership of these resources as the agreement certainly reflects is Canadian. Canadians own these resources. We have not achieved provincehood.

Surely, after all those years and the creation of this agreement, based on these things — and let me just quote this, because what the Third Party leader is suggesting is that we reconstruct history. If that's what the NDP wants to go to the public with, please do so. But the Yukon Party government is not into reconstructing history; it's all about building Yukon's future. The agreement entered into after years of negotiation with the Department of Indian Affairs and Northern Development is this: "Whereas the negotiation of this Agreement was guided by the principles established in the Devolution Protocol Accord of September 23, 1998..."

This territory entered into an accord that established the guiding principles of negotiating devolution.

Is the NDP suggesting that we should unwind all of that? It goes on to say: "...signed by Canada, the YTG, the Council of Yukon First Nations, on behalf of its members — the Kwanlin Dun First Nation, the Liard First Nation, and the Kaska Tribal Council, on behalf of the Ross River Dena Council and the Kaska Dena Council;"

It even included a transboundary First Nation, Mr. Speaker. This is really of concern; that the NDP would actually subject Yukon to such a process as that where work has already been done after great labour and commitment by many, including past governments. It goes on to say — and I would hope that the Third Party recognizes what fundamentally this is all about — it goes on to say: "And Whereas the Crown..." the Crown being who has the Crown — the federal government; "...and the aboriginal peoples of Canada are in a fiduciary relationship;"

Is the NDP suggesting we actually go and negotiate that too? This is about a constructive debate; it's about the future of the Yukon Territory.

It also says: "Now therefore in consideration of the terms, exchanges of promises" — I would underline and emphasize promises because there are a significant number of those — "conditions and provisos contained herein, the parties agree as follows," and there is the agreement — many, many pages in this agreement, Mr. Speaker, after all those years of negotiation. Well, I can tell you the Yukon Party government has no intention of reconstructing the past and unwinding what has already been agreed to. We have every intention of strengthening, from where we are, what we can achieve to build Yukon's future.

Now I want to ask this question: unless the Leader of the Third Party has suddenly had a revelation, where was the content of the statements today through all those years of negotiation? This was the Department of Indian Affairs and Northern Development negotiating on behalf of the federal government. Where were these positions? Never heard a peep, Mr. Speaker. Has this revelation suddenly come forth, and what does it mean in the context of Yukon's future?

I would submit that it means absolutely nothing, other than refocusing this territory backwards on to what has already been accomplished. That's certainly not something that Yukoners should be subjected to.

The Member for Kluane finds humour in what Yukoners should or should not be subjected to. Here's a cheat sheet for the Member for Kluane. They are subjected to a lot of things by the Liberals that they shouldn't be. So the government side wants to advance something here, which is going to happen, not only through provisions in this agreement, which are obligations — and there's much more.

Does the Leader of the Third Party not understand that we are also required to provide successor legislation? Does the Leader of the Third Party not even understand this simple fact — that those instruments, those acts, those legal mechanisms, are what give force and effect to many things, including the charge-out of royalties? Surely — surely, the Leader of the NDP would have reflected on that.

There is going to be a major process in this territory to develop successor legislation. Furthermore, the NDP, not that long ago, stood in this House and voted for changes to the *Quartz Mining Act* that are directly related to royalties. Have they changed their mind?

The issue of the devolution transfer agreement, its principles and the obligations of governments, both Yukon and Canada, and the relationship that this agreement creates between governments and Yukon First Nation governments is pretty explicit. In these legal instruments, we are required to oversee and ensure adherence to the commitment and responsibility to develop mirror legislation.

Here's the NDP leader finding that somewhat humorous. It's a requirement and what we agreed to do. The NDP leader should know this, after all those years of the department I referenced being a lead for the Government of Canada in negotiating this agreement.

Some Hon. Member: (Inaudible)

Point of order

Speaker: The Hon. Member for Whitehorse Centre, on a point of order.

Ms. Hanson: That's factually incorrect.

Speaker's ruling

Speaker: From the Chair's perspective, there is no point of order, but thank you, honourable member, for correcting the record.

The Premier has the floor.

Hon. Mr. Fentie: Therefore, upon the agreement finally being concluded, the parties proceeded, on April 2003 — the Yukon implemented devolution. In doing that, we did a number of things — that is, the Yukon Party government did — ensuring first and foremost a smooth transition of the transfer of programs and other areas that were formerly the responsibility of the federal government as represented by the Department of Indian Affairs and Northern Development.

This included mirroring legislation and that means legislation such as the *Quartz Mining Act*, the *Placer Mining Act*, the *Waters Act*, and the *Lands Act*. So we are actually following the direction and the requirements of the agreement that this territory has entered into.

What the NDP is suggesting here is that that doesn't mean anything; that's just yesterday. Those principles and commitments and obligations that are housed in this agreement of years and years of negotiation and effort do not mean anything because of some revelation the NDP has had, which is actually a disguise for anti-mining — opposing mining.

To suggest the NDP wants to modernize the mining industry is actually a fundamental issue here. It's not about modernizing anything. It's about restricting it. We all know what happens when the NDP takes these positions. It drives the industry out of this territory — literally drives the industry out of this territory. For what purpose would we try and negotiate an increased retained benefit from royalties when there aren't any, because there is no industry generating those revenues? So I take great exception to this amendment being portrayed as a contribution to constructive debate. It begins with the issue of statements like, "We make more out of campground fees". Does the NDP leader not know that millions of dollars have accrued in this territory because of the devolution transfer agreement?

I'm astounded that the Leader of the NDP would make such a statement. To go over this a little further in terms of comparing us to other places, surely in constructing such an amendment the NDP would have reflected on what it really means. This is not a situation where we have ownership. That's important — very important.

We have the best possible arrangement, given the day it was agreed to. There has always been the provision and the expectation and the intent to go further in the fullness of time, but I have to say that what we've achieved to this point, especially post-April 2003 when this territory under the Yukon Party government's watch and leadership implemented devolution — there has been significant development and achievement.

Let us look at some of those examples: a growing population, which means a growing tax base.

That's an accomplishment and to some degree it's because we make decisions here in the Yukon locally — masters in our own house. The lowest unemployment rate in the country — that's a significant achievement, in part because we make decisions here in this territory — masters in our own house because of the agreement as negotiated. Fourth in the world out of 51 jurisdictions when it comes to an attractive jurisdiction for exploration, development, and production in the mining sector; a significant achievement because we are masters in our own house vis-à-vis the devolution transfer agreement. We have hundreds of millions of dollars of investment flowing into this territory — I repeat, hundreds of millions of dollars flowing into this territory — a significant achievement and this investment is coming from the mining sector. And the NDP wants to revisit this and reconstruct it? For what purpose?

There is a clear contrast here. The NDP, if they ever got into the office of government to lead this territory, would create a complete debacle.

We, the Yukon Party government, will stand and resist that as long as we are here. We do not promote in any way the reduction or the reversal of the fortunes achieved to date. What

we, the Yukon Party government, promote is to even build upon what we've achieved already. I challenge the NDP and the Liberals in this House to tell Yukoners how they would build on the fortunes here in Yukon that we've achieved already. Not in one instance have they provided an example of how they would do that. Consistently, they take positions that are nothing more than reconstructing history. What a sham when it comes to Yukoners' expectations and the obligation of elected people. Good thing the Yukon Party government is in office. At least we're meeting our obligations to the Yukon public and delivering on their expectations. It's called a quality of life that is much better today than when we took office nine years ago. We don't want to go back there, so I think the NDP should rethink what they're suggesting.

Mr. Mitchell: On the amendment, well, first of all, I'd just like to point out to all members, starting with the Hon. Premier, that one can debate an issue without denigrating the position of others as not constructive, ridiculous or a sham. I would encourage all members to try to keep this principle in mind when debating because the fact is we can have differences of opinion without denigrating others for expressing their philosophies or their opinions.

So let's just dial it back. We know we're getting close to an election and the rhetoric today is getting pretty high. Having said that, I must respectfully disagree with the mover of the amendment, the Member for Whitehorse Centre. As the Premier stated, the consultations that the Leader of the NDP speaks of have already taken place. They took place over many years and they led to a long, long series of negotiations with Canada to get to where we are today.

The devolution transfer agreement and the *Umbrella Final Agreement* both already require Yukon and Canada to include First Nations in any negotiations to amend the DTA.

Clause (2) of the original motion from the Member for Klondike already speaks to the fact that Yukon First Nations must be included in this process, so we don't need to amend the motion to include Yukon First Nations because they're already included, as they must be.

From our perspective, for Yukon to embark upon another lengthy consultation with all stakeholders in order to amend this agreement that exists between Canada and the Yukon is frankly a step backward from the level of self-government and responsible government that we've already reached. We are in a position as government, whatever the government of the day is — and no doubt we all agree on who that should be come the next election — but whoever the government of the day is, they have the right and the obligation to work for improvement of this agreement with Canada.

We don't think it's logical to hold off on this while there are potentially millions of dollars at issue, because these negotiations are not going to go quickly. We know that from past history.

They're not likely to occur in a matter of weeks; they could take years and Yukon will stand to lose millions of dollars before this agreement gets improved, if we don't get working on it. With all due respect, we think that it's important that

government does go ahead to work at removing the cap. There are complicated negotiations. There are a lot of factors, as the Premier said earlier, that figure into the computation of net benefit to Yukon. We think that the time is now to move forward with the negotiations.

Regarding clause 4: "modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon's mineral and resource wealth," they sound a little bit like buzzwords for raising taxes or costs to the industry.

The concern we have with that is that all the decisions that have been made by the industry in terms of advancing projects, in terms of moving forward into a very lengthy and expensive permitting process to fulfill the regulatory regime that exists in Yukon, and in going to the public markets to raise capital to undertake mining development — all of the assumptions that have been made by those companies go out the window if we don't have certainty that from beginning to end of that process, the costs and the drivers that have been built in to those assumptions remain stable. The companies can't proceed with any decisions if we say to them, "Well, first we would like to come back and talk to you about renegotiating the royalty regime that we have in place."

If Yukon is going to do that someday, that's a separate discussion, but we don't think that that is properly placed within this motion because this motion is specific to the bilateral agreement between Canada and Yukon, known as the *Yukon Northern Affairs Program Devolution Transfer Agreement*.

Those are our reasons why we cannot support the amendment as presented by the Member for Whitehorse Centre. However, I would like to repeat that when any member rises on this floor to speak to a motion, to a bill, to an issue on behalf of Yukoners, which are issues we've all been elected to do. Every member here deserves to be treated with the respect of the thousands of constituents they represent, and the campaign rhetoric serves no constructive purpose.

Using some of the language we've heard here today from the Premier in particular, as well as from the Member for Pelly-Nisutlin, does not foster constructive debate and I would ask all members to consider that when they rise to speak.

Mr. Cathers: Although I find myself agreeing with the Leader of the Official Opposition and his point, I would suggest to him constructively that he might wish to review some of his own previous remarks from *Hansard* when he refers to the issue of being able to debate an issue without denigrating those who take the opposing point of view. The member's record does not demonstrate that, in my opinion.

I'm very pleased that the Member for Klondike brought the original motion forward. I would note, as members no doubt have, that I have tabled two motions in this sitting, urging similar things to parts of the motion tabled by the Member for Klondike including urging the government to seek a new agreement with the federal government on resource-revenue sharing, an attempt to have the \$3 million lifted from the level it was set by the Liberal federal government and the Liberal territorial government of the day.

Also, I tabled another motion, which speaks directly contrary to the amendment tabled by the Leader of the Third Party. My motion encouraged, or stated, that the Yukon's low royalty rates for placer mining and quartz mining are, in my opinion, a major factor in encouraging investment and economic activity. I do not disagree with statements that Yukoners should receive a fair share of resource revenue, but what must be kept in mind is that raising fees, taxes, royalties, et cetera, do place an additional burden on industry. In some cases, the industries are not as large and as deep-pocketed as some may envision.

It cannot be forgotten that when the NDP were last in power, their policies toward the mining industry did result in the mining industry leaving the territory, in large part. It caused a Yukon economic downturn and this approach is something that is not in the best interests of the Yukon Territory.

Mining has long been a mainstay of the Yukon economy. The Yukon economy to date has never done well when the mining industry has not been doing well. The primary benefit from the mining industry, in my opinion, are the people who are employed by that industry — the Yukon citizens — the men and women who go to work in that industry, who make money that they put into their bank account — not into the government's bank account — although of course, each and every one does pay income taxes.

Again, I cannot support this amendment brought forward by the Leader of the Third Party. I think that what must be kept in mind is that keeping low royalties — much like lowering the tax for small businesses which has also been done — are key factors in improving Yukon's competitiveness in attracting investment and in keeping those who are here from making a decision to move to somewhere where they do not face such a high tax burden.

We should not forget what occurred when the NDP were last in power as the result of their policies toward the mining industry. The Yukon economy suffered an economic downturn which continued and worsened when the Liberals took office.

Devolution was the result of years of work by governments of all stripes and by civil servants within many Yukon government departments. In that final agreement — despite the protestations of the day that we heard from the then Liberal government about how, with a Liberal government in Ottawa and a Liberal government in the Yukon and a Liberal Member of Parliament, they would really get things done — despite that self-declared close relationship, the government of the day failed to negotiate two key provisions within the agreement and rolled over on that at the behest of the federal government; one of those being an inadequate fire suppression fund. The Yukon in the first year after devolution saw how inadequate that fire suppression agreement was, not to mention the increased costs beyond that year — as the Member for Klondike points out in the original motion — and the fact that we have existing risks such as the spruce-bark beetle infestation, which may cause us significantly increased annual firefighting costs in future years, rather than decreased costs. The second key point is the \$3-million cap on resource revenues, which is a pitifully low level.

If the Yukon economy continues to grow, if the mines and development continue to open up — even with our low re-

source revenue, even with the low royalties on mining, with land sales, with oil and gas development — all of the factors that form a healthy economy — it will easily exceed the \$3-million cap. Yukon citizens should be the primary beneficiaries of the development of our natural resources when it comes to taxation. That is a point that I have made with federal ministers and Members of Parliament and I expect that others have made that same argument to them: that it is in the best interests not only of the Yukon, but of Canada, to raise that \$3-million cap to give the Yukon a greater share of the benefits from resource

Some Hon. Member: (Inaudible)

Point of order

Speaker: Point of order, Leader of the Official Opposition.

Mr. Mitchell: On a point of order, and ever so respectfully and gently because I am enjoying hearing this, but should not the member be speaking to the matter at hand, which is the amendment to the motion? Because it sounds like the member is speaking primarily to the motion and not to any of the things that have been changed by the amendment.

Speaker: On the point of order, Member for Lake Laberge.

Mr. Cathers: On the point of order, Mr. Speaker, if the Leader of the Official Opposition had been listening more closely, I was also speaking to many points within the amendment itself, but connecting them to the main motion.

Speaker's ruling

Speaker: From the Chair's perspective, there is no point of order; it is simply a disagreement between members.

Mr. Cathers: Again, as I stated, the amendment to this motion would be in fact a step backwards. The time is now to move forward in this area. We know the results following nearly eight years since devolution — eight years coming up this April 1. We know the results of that. Entering a long discussion process and delaying the commencement of negotiations with the federal government would not be a positive step, and increasing the royalty rate on mining, which certainly seems to be the thrust of the point proposed by the Leader of the Third Party — modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon's mineral resource wealth. I'd remind the member that in fact we did modernize the *Quartz Mining Act* just a couple of years ago in this Assembly, and I was very pleased to have the honour of bringing forward those changes as minister of the day and very pleased they were passed by this House. Lowering those royalty rates, getting rid of the escalator that increased the royalty rate percentage for each \$5 million of eligible revenue is a key factor in attracting the investment we've seen today — a key factor in our record-high exploration.

Of course, there were also some significant discoveries, but I remind members that those discoveries wouldn't have occurred if the mining industry wasn't in the territory, as they weren't — or most of them weren't, under the dark days under the NDP and under the Liberals. Without that investment, without that activity, the discoveries would not have occurred,

and we would not have seen that strong interest that has existed the last couple of years in the Yukon and has benefited our territory tremendously. At a time when the rest of the country and the world were experiencing an economic downturn, we saw an increase in our resource sector, which certainly was of great benefit to all Yukon citizens.

Under the NDP's vision, we would see increased taxes, increased costs and less industry in the territory, fewer men and women working here today. Had we not changed those provisions and the resource regime — modernized the royalty provisions in the *Quartz Mining Act* — much of this investment would not have occurred, because if the mine were developed, if members recall, or we will read back in *Hansard*, some of the larger projects would have made enough money and had enough eligible revenue, that they would have, in fact, paid over 100-percent resource royalty fee on that eligible revenue, and they would have had, in fact, a negative profit, rather than making money for their shareholders.

So there is no way that any mining company would invest in a project of that scale. By removing that wall — that impediment to those projects going forward — that has stimulated some of that increased exploration investment. The royalty changes and the changes to the administrative provisions lowered the cost to industry and have helped attract that record investment. As well, the changes that were made — modernization to the administrative provisions in the *Quartz Mining Act* around things such as the size of claim posts, also reduced the amount of helicopter time that had to be spent in staking many of the Yukon's quartz claims and have reduced both those costs and those carbon emissions as a result.

Again, I simply cannot support this proposed amendment of the Leader of the Third Party. It would be a step back; it would be an increased burden upon the Yukon's mining sector, and it would negatively impact the Yukon economy to raise those royalty rates.

I know the NDP is not exactly the largest proponent of mining. Some would say and have argued that they are in fact anti-mining.

At the very least, I think it's fair to say that they would put in place many roadblocks to mining development that would have the net effect of driving the industry out of the territory. In fact, that's what they did before so their record shows it.

I will be voting against the amendment, but I support the motion without the amendment.

Mr. Cardiff: There has been a lot said today and a lot put on the record. If we want to talk about revisionist history, we definitely heard it this afternoon.

I, too, would like to start where the Member for Copperbelt started when he talked about having respect for each other's opinions and the pre-election rhetoric that we heard in the House today — references to certain persons in this House, reference to their previous employment — I'm sure the Premier would not enjoy references to his previous employment as well. But what I found most disturbing about it was that it was happening when we had guests from other jurisdictions, other countries, who have come to watch the proceedings here in the

Legislative Assembly. Witnessing that kind of disrespect here in the Legislative Assembly in front of our guests was truly saddening, and from my perspective, I would like to offer my apologies to them.

We've heard a lot, both from the Premier, from the Leader of Official Opposition and from the Member for Lake Laberge about the NDP and their stance on mining. If the members would take the time to read the amendment to the motion, it's to have a discussion with First Nations, other levels of government and the mining sector. We want to involve the mining sector in this discussion. I believe that it was the NDP's support for the mining sector through instruments like the Yukon mining incentive program and the mineral exploration tax credit that actually drew the Premier to run for the New Democratic Party back in 1996 and again in the year 2000. He obviously felt some affinity for the New Democratic Party stand when it came to resource development.

I would argue that the NDP, the New Democratic governments of this territory, never ran mining out of this territory. If you want to talk about economic downturns, you should maybe pay attention to what commodity and mineral prices and demand for those minerals was when the mining sector turned down. If you looked around the world, it wasn't just the mining sector here in this territory, but indeed around the world, that was involved in that downturn.

The purpose of the amendment is, one, to democratize the debate. We're not saying deconstruct the devolution transfer agreement; we're not saying don't go ahead and start the negotiations, but involve Yukoners in the debate and involve Yukoners in a conversation, including the mining sector, in modernizing the Yukon's royalty regime to ensure that Yukoners receive a fair deal for the Yukon's mineral and resource wealth.

Now, do we deserve our fair share? Yes, I believe we do. The Member for Lake Laberge and the Premier both talked about the amendments to the *Quartz Mining Act* that came forward — that we supported. We did, however, have a very open and frank discussion with the Member for Lake Laberge, when he was on that side of the House, during that debate about what the best option for Yukoners was when it came to royalties — and for mining companies, for that matter. What's the easiest, the most streamlined way, of looking at how Yukon — what that royalty regime should look like? But the Yukon government of the day forged ahead. I believe they did consult with the mining companies, but they didn't consult with other Yukoners about their thoughts on how it should work and look at other options — or, at least they didn't indicate that to us and they rejected whatever we put forward, which wasn't constructive.

We do support the mining industry. There is a history in this party of people who have run as candidates, who have sat as members in this Legislative Assembly, who have been premiers and ministers of government in this territory, whose roots are in the mining industry, and we will continue to support a responsible, modernized mining industry because it is one of the foundations of our economy. It's not the only foundation of our economy, but it's one of the foundations of our economy

and it has been for over 100 years — the Premier should pay attention, instead of reading magazines. I'm not —

Speaker's statement

Speaker: Order please. Honourable members, the Chair has been very lenient about the chatter back and forth, presuming that other people are doing something or emoting something, and the ultimate result of this is that the honourable members are starting to — “You're doing this. “You're doing that.” However honourable members choose to participate or concentrate on the debate is up to them. It's not up to other honourable members.

The Member for Mount Lorne has the floor, please.

Mr. Cardiff: I would like to touch on a couple of other issues that were raised as well. I think I pretty much clarified my point about the NDP's support for the mining industry — a responsible, modernized mining industry — and the Premier's revisionist history of that doesn't lend itself to a constructive debate. We believe that Yukoners and the government are co-investors in the mining industry and that all Yukoners deserve their fair share. So let's just take a look at why this conversation needs to take place.

What is it that we as Yukoners provide? We provide infrastructure, we provide roads, bridges and energy infrastructure. We provide personnel in the Department of Energy, Mines and Resources. I was having a discussion with the minister just yesterday about what they are doing to meet the growing demands that are on them, the challenges that are faced by the department, with the growing mineral industry, both in exploration and in the actual development of operating mines, because there is more that needs to be done and the government needs to respond to it. It needs to provide that support.

We are supportive of that, within reason, so there are mining inspectors, water inspectors, government support for training. Yukoners support mining through training initiatives. We support having those people come here to the Yukon and make their homes here and go to work in the mine or in the exploration industry or in industries that are supported by those industries. They make their homes here, their children participate in the education system here, use the facilities that are available and are expanding as far as hospitals and health and social services go.

That's Yukoners' investment and that's what we provide as support. That's some of what we provide as support for a growing mineral industry. We get jobs in return and one of the issues around the jobs is that we want jobs for Yukoners. That's why we support the training. Actually the Minister of Energy, Mines and Resources, in wearing his other cap, was talking earlier today about the temporary foreign worker program and here's what the minister said on the radio when he was talking about which sectors should get exemptions in this industry or in this program. He said that he expects in the hospitality industries and with the mining industries, those will be some of the first industries coming and working with the Department of Education.

The minister supports having temporary foreign workers come here and work in the mining industry and the hospitality

industry, but we want that to lead to immigration. We want those people to come here, to live here, to be contributing members of our society, to be our neighbours, to go to school with our children and our grandchildren, to have jobs here in the Yukon and to make this their home.

What else do we get as a result of the mineral industry? Well, the government receives — and Yukoners receive — personal income tax and corporate income tax. We receive lease fees, permitting fees, and there are royalties. We don't want to put up roadblocks to industry, but we want to involve them in a conversation about what is fair and help them recognize what it is that we as a territory are providing.

The government wants to talk about what the Liberals said in Vancouver; it's interesting what the Premier says sometimes when he doesn't know people are listening. He says things like, “We're here to accommodate your needs; that's why we're here.” But the Premier has to remember that he's here not just to accommodate the needs of one specific industry or industrial sector or interest group; he's here to represent all Yukoners and look out for the interest of all Yukoners.

If we could retain more of that net benefit for Yukon, that's what the Premier likes to call it — I like to call it “a fair deal for Yukoners”. That's why we need and do support the renegotiation of the \$3-million cap, as set out in chapter 7.27(1). I can honestly say I remember that fire season really well. When we first took responsibility for fire suppression in this territory, it was the highest ever bill for fire suppression that the Yukon had ever faced.

One of the reasons why I remember that is because it resulted in the delay of the design and construction of a new fire hall at Golden Horn, something that was needed in my community. But, because of the extraordinary costs of fighting forest fires that season, that project was delayed. So if we can look at how we can accrue more benefits for Yukon, get a fairer deal, more net benefit — if that's what the Premier prefers — we can continue to make those investments. We can continue to make investments in education. We can ensure that the design and building of F.H. Collins Secondary School proceeds on schedule. We can ensure that the health care needs of all Yukoners are met, including those people who are coming here in the territory to participate in the economy, in the growing mining sector, in the support industries. I've worked in those industries, supporting the mining sector in Brewery Creek, Mount Nansen, Faro and Muddy Lake, just to name a few — Elsa and Keno.

I know which side my bread is buttered on, but all we're saying is that it's fair to have that discussion. If we can increase the fiscal capacity, as the Premier likes to talk about it in the Yukon, we can do a better job of providing all those services to Yukoners, whether it be in education, or whether it be through hospitals and health care, palliative care, home care, continuing care for seniors or housing for the hard to house. We're watching some of this slip through our fingers.

We're not seeing this government respond to some of the real needs here in the Yukon and we feel that by involving Yukoners in this discussion and involving the mining sector in the discussion — the minister yesterday was talking about the

royalties that Capstone paid and the contribution that they made to the community, and that's all we're asking. That's all we're talking about here today in this fourth piece of the amendment to the motion.

I'm not going to go on. I realize that my time is running out now. I appreciate the members for listening and for all the other pictures and whatnot. That's great and I would hope — I realize they probably aren't going to support the amendment. We do support the intent of the Member for Klondike's motion and I thank him for bringing it forward. It is good to see that they finally have come to the table on this. This is something we have raised before and we're glad to see that all parties are at least interested in this topic. I look forward to hearing the comments of others.

Hon. Mr. Kenyon: I only have one or two comments here because I, too, want to get this to a vote. I have to admit to a little bit of confusion with some of the statements that have been put on the floor today. There has been some discussion over the work background of members, yet the Member for Mount Lorne has, on the floor here many times, been very proud — and he should be — of being a journeyman tradesman. In fact, a couple of moments earlier, he commented that he has worked in the industry and gave a list of mine sites he has worked at. I'm not sure why that's acceptable, yet he objects to other people referring to backgrounds that I think all of us are proud of. I'm certainly proud of my background in medicine and experimental surgery.

The second thing I have to scratch my head at is the Member for Mount Lorne chastising the Member for Watson Lake, who sat with the NDP and supported the NDP for a time period. The thing he sort of neglected to mention is that that member across the floor had left the NDP.

But I have to look at the rest of that. The Member for Kluane sat with the NDP for some time. He also left and crossed the floor. The Member for Mayo-Tatchun sat with the NDP for some time, and he left and crossed the floor. I'll bring it back over here. The Member for McIntyre-Takhini represented the NDP in this House for a time period, and he left and crossed the floor. So I would suggest that the Member for Mount Lorne find other arguments to use for that, because that one is just not working for him very well. Obviously, history isn't a subject that is his strong suit.

But I have to admit — and I'll end with this — that when a claim is made that we made more in campground fees than in the mining industry — I'm sorry, Mr. Speaker, I lost interest in the debate on the motion at that point. So with that, I will close.

Mr. McRobb: Well, we were having a good discussion — that is, until 3:30 p.m., in my opinion. Up until that point, we heard the speakers focused on the subject matter, and I truly believe they were focused on the best interests of the territory.

We heard a lot of interesting discussion and some debate on the issues. But after that point, it went downhill. Politics became the number one aspect to many of the speakers, and there were personal comments and political rhetoric that really

had no place on the floor here this afternoon. For the record, I feel that it's important to help anybody understand today's debate and to put it into proper context, to go back to this morning's House Leaders' meeting. At this meeting, I was representing the Official Opposition; the Member for Mount Lorne, the Third Party; and the government side was represented by the Member for Whitehorse West. We responded to the Government House Leader's question about how we'd be handling this debate this afternoon — as we would handle it constructively —

Some Hon. Member: (Inaudible)

Point of order

Speaker: On a point of order, Member for Klondike.

Mr. Nordick: I'm raising a point of order on relevance. The member opposite hasn't even mentioned the amendment, isn't speaking about the amendment. He's speaking about House Leaders.

I understand trying to tie something in, and maybe the member will get to it, but I feel he is completely off topic.

Speaker's ruling

Speaker: From the Chair's perspective, there is no point of order. I've offered each and every speaker on amendments about a minute or minute and a half to express themselves before they start to focus, and the honourable member, I'm sure, is just getting to that.

The Member for Kluane has the floor.

Mr. McRobb: I will refocus and revisit this. I do support everything our leader has put on the record about this amendment, and I want to continue with the backdrop. I pointed out that we would approach this afternoon's debate very constructively, and I encouraged the government side to also approach this debate constructively and respond to our information requests so that, cumulatively, all members in this House could pass the best motion possible from this Assembly because the relevance of today's debate was not lost upon us. I still feel very strongly that's what we should have done. However, Mr. Speaker, some members couldn't help themselves.

Some members couldn't help themselves and we heard grandiose statements to one effect, yet that same speaker would give examples to the opposite. I heard the Premier — we all heard the Premier —

Speaker's statement

Speaker: The Chair would now actually like to hear the honourable member's opinions on the amendment, please. You have the floor.

Mr. McRobb: Thank you, Mr. Speaker. I won't challenge your ruling, but I will clearly set out what I'm about to do. I'm about to challenge the Premier's argument that he put on the record toward this amendment. I believe I'm allowed to do that; if I'm not, somebody can point out a point of order.

The Premier said that the NDP drove out mining from the territory in their last government. I want to point out that the leader of that government, who was called the "Government

Leader” in those days, which is now called “Premier”, currently sits on the board of directors of a mining company in the territory. This person had his background in the mining industry. This person was also appointed by this same Premier to head up the Yukon Energy Corporation.

So the contradiction is plain to see. The contradiction is plain to see and there’s another point I want to challenge, that the Premier put on the record about this amendment when he accused that government of being anti-mining. The Premier himself was part of that very government. The rhetoric and the inconsistencies in what has been said this afternoon is truly astounding — just astounding. You know, we’ll hear members say one thing, yet do exactly the other, say exactly the other. I point this out because it clearly indicates the government’s arguments when the government side gets political simply are not fair and are not accurate.

Now, I want to rebut some of what was put on the record by the Member for Lake Laberge, who is —

Some Hon. Member: (Inaudible)

Speaker’s statement

Speaker: Point of order, please. I’m sorry, I can make absolutely no connection to this amendment. It has become a polemic as opposed to a discussion on the amendment. Please talk about the amendment.

Mr. McRobb: Is that a point of order I can argue?

Speaker: Sit down, please. I’m asking the honourable member to speak to the amendment that is on the floor. So Hon. Member for Kluane, please do that. I’ve asked the honourable member twice politely; please do that.

Mr. McRobb: Okay, thank you, Mr. Speaker.

My understanding of debate in this Assembly is that when someone puts something on the record, like we have today on the amendment, it’s fair game to rebut those statements. I want to rebut what the Member for Lake Laberge said about this amendment to the motion.

Speaker’s statement

Speaker: Order please. The honourable member and I can go on, I guess, because he has some 13 minutes left. I’m just going to keep urging the honourable member to speak to the amendment. Member for Kluane, you have the floor.

Mr. McRobb: Thank you, Mr. Speaker.

Some Hon. Member: (Inaudible)

Mr. McRobb: Yes, I am speechless.

Some Hon. Member: (Inaudible)

Mr. McRobb: Well —

Some Hon. Members: (Inaudible)

Speaker: Order please. The Member for Kluane has the floor.

Mr. McRobb: Thank you. The debate, from the Yukon Party’s point of view, has been, once again, “Our way or the highway.” Two amendments have been introduced. This government has rejected them both.

Some Hon. Member: (Inaudible)

Mr. McRobb: Well, the Member for Porter Creek Centre says, “Not yet.” I’d like to remind that member that his leader has firmly put on the record they won’t be supporting this amendment. So the government side has rejected both amendments. Instead of debating the matter of the amendments, the government side has consistently attacked the messenger. Well, that indicates the government side doesn’t have the substance to properly debate the issue at hand.

Speaker’s statement

Speaker: Hon. Member for Kluane, one more reminder that I had asked the honourable member to speak to the amendment, please.

Mr. McRobb: Thank you, Mr. Speaker. All members in here when speaking to the amendment or the motion should be addressing the subject matter. We’ve heard very little counter-debate from the government on both of these amendments, including this one — very little debate on the matter at hand. Instead we’ve heard lots of political rhetoric, grandiose statements made in one direction, yet comments in the other direction.

It’s rather disheartening to see what has happened this afternoon, and it’s too bad. It appears to be another opportunity lost. We called on the government side to pull its socks up and be constructive and informative in this debate. Our members who spoke certainly have been. I believe the members of the Third Party have been.

Speaker’s statement

Speaker: Order please. I would urge the Hon. Member for Kluane to speak to the amendment. Once again, I feel the honourable member is straying away from the subject at hand and into a different area of concern. I would ask the honourable member to speak to the amendment, please.

Mr. McRobb: Well, this government not only failed to provide the information requested on this motion this afternoon, which could help us on the opposition side strengthen it, such as through this amendment or other amendments. I point to the YMAB report that the minister continues to refuse to table. The subject matter we’re debating today is one of those five recommendations in that report. I would also assume that that recommendation is accompanied by justification such as the rationale and maybe even recommends a certain approach be taken by government. It’s too bad some of us in here are without that information today.

Speaker’s statement

Speaker: Order please. Again, I urge the Hon. Member for Kluane to stick to the subject of the amendment. I don’t see any reference to YMAB in the amendment, so once again, I just urge the honourable member to stick to the subject at hand, which is the amendment by the Leader of the Third Party.

The Member for Klondike has the floor.

Mr. Nordick: On the amendment, Mr. Speaker, the Liberal Party just asked why the government side isn't debating the amendment put forward by the Third Party. If the member wants a reason why, I personally, as a member of this Yukon Party government, do not support the amendment, I'll speak to just the last part of the amendment — the part that says, "modernizing Yukon's royalty regime to ensure Yukoners receive a fair deal for Yukon minerals, resources and wealth." That's the amendment put forward by the Leader of the NDP. I'm going to quote something from an article written by a member of the NDP — which is 50 percent of the members — when it talks about mining, modernizing Yukon's mining regime. The member stated — his words not mine: "Yukon's politicians and citizens need to rethink how and where we allow mining to occur." He went on to say, "We need to amend our *Quartz Mining Act* and the *Placer Mining Act* to bring them into harmony with our current values."

That's the introduction. Then in the conclusion — get this — he stated: "There is an immediate need to reduce the privileged access to lands the mining industry receives today." That's why I don't support this amendment.

Speaker: Are you prepared for the question on the amendment?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Disagree.

Hon. Mr. Hart: Disagree.

Hon. Mr. Kenyon: Disagree.

Hon. Mr. Rouble: Disagree.

Hon. Mr. Lang: Disagree.

Hon. Ms. Horne: Disagree.

Hon. Mr. Edzerza: Disagree.

Mr. Nordick: Disagree.

Mr. Mitchell: Disagree.

Mr. McRobb: Disagree.

Mr. Elias: Disagree.

Mr. Fairclough: Disagree.

Mr. Inverarity: Disagree.

Ms. Hanson: Agree.

Mr. Cardiff: Agree.

Mr. Cathers: Disagree.

Clerk: Mr. Speaker, the results are two yea, 14 nay.

Speaker: The amendment is defeated.

Amendment to Motion No. 1303 negatived

Speaker: Is there any further debate on the main motion?

Mr. Fairclough: I'll be short in my response. I would like to thank the Member for Klondike for bringing this motion forward. It's obvious there is a need to make amendments to

the devolution transfer agreement. There are several parts to this motion we do support.

I'm sure that members opposite, along with us on this side of the House, have been hearing from the mining industry and from First Nations and so on in how to make improvements to the resource revenue sharing and the cap and so on. The first section, in regard to changing the provisions in chapter 5 — looking at making improvements and more dollars coming for fire suppression and so on — we support. I've worked in that industry for quite some time. I know what it's about and we shouldn't be shortchanged should we have a couple of bad fire seasons in a row. Of course, also part of this — it's a bit different though — is that monies do go toward addressing the large issue of the spruce-bark beetle infestation we have in the Klwane region. I'm already seeing that effect in my riding.

In my riding, in Pelly Crossing, we've done the government FireSmart program now, which addresses a lot of this within the communities — in Pelly Crossing, for example — to try to address that. They've been cutting trees down to try and save some of the trees within the community and that's a little battle that they have with the spruce-bark beetle infestation.

I want to be short so that we can vote on this. When we were in Vancouver for the Roundup, this was an issue brought forward to us by almost every mining company that there is out there that we talked to. It's an issue that has been raised by First Nations with regard to the cap and how we could perhaps look at a better deal from Ottawa to ensure that Yukon benefits more from the royalties that are being produced from the Yukon Territory.

Part of the reasoning is simple: a mining company comes forward to the government, asking for help, whether it's infrastructure, roads, power and so on. There doesn't seem to be the incentive there because we do not get the royalties back from the very resource and development that is asking us for these improvements. They're bringing it forward, saying, "Go out there and get something better." We probably can get that support behind us in taking our arguments to Ottawa on why we should be getting back a better deal.

The same goes with First Nations. The \$3-million cap — the one example, I guess, that could come to life — it's a way down the road yet — is Casino mine. When that opens up, 2,000 people putting it together, developing the mine, and another 1,500 or 1,600, maybe a few less, to run the mine annually — should they be living out there, that will be the fifth largest community in the territory. That's huge. The royalties alone would be something like \$250 million. We get 100 percent of the first \$3 million, and then where does the rest go? It goes back to Ottawa. In turn, they are still asking the Yukon government and the First Nation governments to somehow help out in regard to infrastructure development, whether through road improvements, power and so on.

We heard it over and over — a little different from the year before when we were there. I'm sure the government side heard it, and it is an issue that was raised by the Member for Copperbelt in a news release as soon as we got back here to the territory. It is one that we as a party would like to see improvements on.

This is a big task, going out and trying to negotiate something better in the devolution transfer agreement — who knows how long this will take. I think that there's no need to prolong the debate on this motion by any more amendments; we've tried to make some friendly improvements in how we could be seen here as legislators to go forth as a group to try to get the best deal we possibly can by simply adding some of the words that we've brought forward before, like using what the Northwest Territories so far have in their devolution agreement as a basis to bring something better back to the territory.

So that's where we're coming from. We're definitely going to be supporting efforts toward ensuring that Yukon has a bigger piece of the pie when it comes to royalty revenues in the territory. I think that when the agreements were put in place, it might have been a good agreement; it took a lot of years to negotiate a devolution agreement. The way it came about was having the First Nation final agreements first put in place, and this was a natural progression to have a devolution agreement follow.

From the mining community, I think this definitely needs to be pointed out every time because, way back then, there was a view that developers wanted to see more certainty here in the territory. The *Umbrella Final Agreement* and the First Nation final agreements gave a certain amount of certainty to the mining community. We can now sit down and deal with some of the First Nations.

The next one was to have a devolution agreement where we in the territory can at least have some control over the resources that we have. So that, in itself — those two are huge players in what we have today in the development community coming to the territory and investing money, putting people to work. I think we need to pay credit where credit is due.

Past governments have taken on this challenge — they were very tough ones at the time. They made the sacrifices in ensuring that we do have devolution in the territory. We've seen the tremendous benefits from it already. It is an agreement and, like all agreements and plans that we put in place, down the road we can work on amendments and make improvements to it.

That's what we're doing right here today. We're looking at trying to make improvements to these agreements. What I see down the road again, maybe in 10 years, 15 years down the road or even sooner, when things change in this territory again, we may have to revisit looking at the devolution agreement and perhaps again make improvements to it.

This work goes on and we want to see governments, whichever one it is — this work is going to go on for awhile, so whoever gets elected into government the next time is going to have to take on this challenge and I think it's only right. It has been asked for everywhere. As a matter of fact, steps are already being taken on some parts — for example, negotiations with FTAs and the whole issue of the cap is fully part of that and First Nations have already taken on that challenge. They've seen the effects the \$3-million cap has on one First Nation. There is so much potential out there for development; we need to be able to go out there and address that as a team working with Yukoners, working with Yukon First Nations, taking that

argument to Ottawa, the best that we can — and this is an issue the Member for Copperbelt brought forward to the floor of this House.

We've been talking about it for quite some time. We've been public about it. We've gone out in the public and said, "This is what we need to do." The Member for Klondike has brought this forward in the form of a motion and I think that, even though we didn't get the amendments to the third part of the motion, this is something Yukon needs to do and we're going to be supporting that. Thank you.

Mr. Cardiff: I'll be brief because I can see the time and I realize that we only have but minutes before we need to vote on this. I would like to thank the Member for Klondike for bringing this motion forward. As I said earlier, it's good to see that they've caught on to this idea of getting a fair deal for Yukon and Yukoners, to help provide that infrastructure. I would like to thank him for reading my article in the supplement to the *CPA Magazine* as well; that's good news. I would actually like to thank the Member for Mayo-Tatchun for his closing comments as well. He sounded pretty supportive of some of the things that we had in our amendment.

This is a very exciting time for Yukon, with all the economic development and the work that is being done in the resource industry. I think it's an exciting time for communities, for First Nation governments, realizing the fact that they are having benefits accrue to them through this development. It's good news for mining industries because it will provide resources to the government. We could do better than this, and there were attempts today, through the amendments, to try to make it better. But we will support it as it stands, because this is better than having not all of what it was we were looking for. We believe we were looking for something a little more than was in the motion.

We will support the motion. We do think that having a larger share of the revenues from this industry, having more resources to look after our forests and for fire suppression, is a good thing. Having those resources to provide health care facilities and schools for our children is a good thing. So we will support the motion as it stands. I'd like to thank all members for their comments today.

Speaker: If the Member for Klondike speaks, he'll close debate. Does any other member wish to be heard?

Mr. Nordick: Seeing that I only have about a minute to wrap up my comments, I would end on two notes.

This Yukon Party government will ensure that Yukon remains one of the best jurisdictions in the world in which to invest by continuing to implement competitive taxation and royalty regimes in order to maintain or reduce industry's cost of doing business in the territory. The other point I want to make is that while we are requesting Canada to increase the \$3-million cap on resource revenues, we do not want to increase industry's cost of doing business in the territory, and we want to maintain our competitive advantage, raising the resource revenue capital benefit for everyone.

Canada will benefit by seeing increased economic activity and more revenues due to the fact that 70 cents of every dollar of Yukon's own-source revenues are returning to Canada.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called. Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Hart: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Rouble: Agree.

Hon. Mr. Lang: Agree.

Hon. Ms. Horne: Agree.

Hon. Mr. Edzerza: Agree.

Mr. Nordick: Agree.

Mr. Mitchell: Agree.

Mr. McRobb: Agree.

Mr. Elias: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Ms. Hanson: D'accord.

Mr. Cardiff: Agree.

Mr. Cathers: Agree.

Clerk: Mr. Speaker, the results are 17 yea, nil nay.

Speaker: The yeas have it. I declare the motion carried.

Motion No. 1303 agreed to

Speaker: The time being 5:30, this House now stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.