



The Yukon Legislative Assembly

Number 6

2nd Session

24th Legislature

HANSARD

Wednesday, March 14, 1979

Speaker: The Honourable Donald Taylor

Whitehorse, Yukon
Wednesday, March 14, 1979

Mr. Speaker: I will now call the House to order.
 We will now proceed with prayers.
 (Prayers)

Mr. Fleming: Mr. Speaker, I would like to rise on a point of order this afternoon. Yesterday, after the government had given a Ministerial speech, this Member, myself, arose to applaud, or otherwise the government and Mr. Speaker ruled that he was out of order at that time, I believe.

I would like to bring Mr. Speaker's attention to 11.(8) of the Rules, Elections and Privileges Committee, which states: "A Minister may make a short factual statement of government policy. As spokesman for each of the parties in opposition to the government may comment thereon, for not more than five minutes and a government spokesman may, then give a five minute reply. Mr. Speaker shall limit the time as he deems fit."

I refer, Mr. Speaker, back to the statement where, "for each of the parties", with a small "p", Mr. Speaker. I consider that the Member opposite me and myself, in this sense, are a party unto themselves and that we should have the same right as what this government calls Opposition Members in this House.

Mr. Speaker: I should perhaps, respond to the Honourable Member by stating that points of order must be raised at the time.

However, in considering the question that the Honourable Member has given to the Chair, I must advise the Honourable Member that the Chair is here to carry out the orders of the entire House and those orders are reflected in the Standing Orders. The Chair really, has no right to change those or amend in any way, the orders of the Assembly.

So, I must find that the Honourable Member indeed does not, in fact, have a point of order and perhaps he will take under advisement the matter I have raised.

Hon. Mr. Graham: Mr. Speaker, on the same point of order, I have discussed this matter with the Honourable Member, and we are willing to make a commitment to refer this matter to the Standing Committee on Rules, Elections and Privileges and we will consider it in that body.

Mr. Speaker: So I will consider this point of order closed at this time. The House may take any action if so feels is necessary to deal with this question.

Are there any returns and documents for tabling?

ROUTINE PROCEEDINGS

TABLING OF DOCUMENTS

Hon. Mr. Tracey: Mr. Speaker, I have for tabling the Yukon River Project Work Supervisors' Report and the Parks and Historic Resources Yukon River Users' Survey for the Summer of 1978.

Mr. Speaker: Are there any further documents or returns for tabling?

Reports of Standing or Special Committees?

Petitions?

As there are no readings of petitions, are there any Introduction of Bills?

Notices of Motion for the Production of Papers?

Notices of Motion?

NOTICES OF MOTION

Mr. Fleming: Yes, Mr. Speaker. I would like to give notice of motion, moved by myself, seconded by the Honourable Member from Faro, that Standing Order 11.(8) be amended by deleting the words, "as spokesmen for each of the parties in opposition to the government" and substituting; therefore, the following words, "any Member".

Mr. Speaker: Are there any further notices of motion?

Are there any Statements by Ministers?

We will then proceed to the Question Period. Have you any questions?

QUESTION PERIOD

Hon. Mr. Lang: Mr. Speaker, on March the 12th, the Honourable Member from Faro inquired of the government the following ques-

tion: is the Minister aware of an experimental paving program conducted on the Campbell Highway last summer, an eight mile stretch of special material, if the results of the experiment prove favourable, would the Minister entertain continuation of that program on that highway?

Mr. Speaker, in answer to that question, the work done on the Campbell Highway is not paving in the true sense of the word, but an experiment in dust control, using asphalt emulsion covered with crushed gravel.

It forms part of an ongoing program which began on the Alaska Highway in 1975, the objective is to determine a cheaper alternative to calcium chloride for dust control. Experimentation will continue for at least two more years before evaluation can be made as to the cost and effectiveness of various products. A short section of the Campbell Highway will be treated with a different product this summer to determine performance in comparison with the asphalt emulsion and calcium chloride.

Hon. Mr. Tracey: Mr. Speaker, on March 12 the Honourable Member from Whitehorse West directed two questions to myself. One was the unemployment rate study being conducted by ERPU; you wanted to know when it would be available and would the study include unemployed Indian people. Mr. Speaker, as the Honourable Member is aware, Yukon is not included in Statistics Canada monthly labour force surveys. Numerous attempts have been made, in the past, to include Yukon in these surveys, but Statistics Canada has always refused on the basis of the survey's high cost and high response burden it would place on the public.

However, this Government is acutely aware of the need for labour force information and, as such, we have asked the Economic Research Planning Unit to attempt to develop a program to obtain this type of data. To date, the Unit has produced data on fulltime employment in Yukon and also a publication called Yukon Labour Force Statistics as part of this program.

Data on the unemployment rate for the period July 1978 to March 1979 are in the final stages of completion and will be released to the public in ERPU's April edition of the labour force statistics.

The data for this study, Mr. Speaker, was obtained from a combination of administrative records and small employment survey. This allowed the Government to gather the information inexpensively and with only a small response burden on the public. The methodology used in Yukon's attempt to conform as closely as possible to the statistical techniques employed by Statistics Canada in order to allow comparability across all provinces.

The data sources used include all aspects of Yukon society for the population fifteen years of age and over and, as such, the native people in Yukon are included.

Unfortunately; however, the present administrative record system is unable to provide breakdowns on the basis of sex, age or ethnic origin, as is available through Statistics Canada and the information will be shown for the total population only.

Question re: Electrical Consumption

Hon. Mr. MacKay: This question, Mr. Speaker, is for the Government Leader with respect to his forthcoming meeting with Kaiser Aluminum. In view of the heavy electrical consumption requirements of such a project, Mr. Speaker, and the possible competing requirements of electrification of the pumping stations of the Pipeline and indeed the prognosis that several new mines opening in the early 1980's, or in that period, would also require power, could the Government Leader give us an indication of what priorities he would set in these three competing elements if, in fact, such a happy situation arose that all three wanted to go at once?

Hon. Mr. Pearson: Mr. Speaker, I do not know that I could set priorities at the moment. All of the indicators that we have, so far, are that we would not be in the position of having to set those kind of priorities. There is enough electrical energy available for the foreseeable future, should the development go ahead, that, in fact, all three types of development could be handled quite handily.

Hon. Mr. MacKay: On the clarification of that, do I take it to mean then, that the total power consumption, which I think I estimated it somewhere in the region of 700 megawatts, can all be supplied from the one mid-Yukon site?

Hon. Mr. Pearson: Mr. Speaker, if we use mid-Yukon as an example, the preliminary figures are between 750 and 1,000 megawatts of power on mid-Yukon.

Mr. Speaker: A final supplementary.

Hon. Mr. MacKay: In view of the obvious correlation between the future economic development strategy of this Territory and the needs for power in Yukon, will the Yukon Government be requesting the transfer of control of NCPG be given to the Yukon Territo-

rial Government?

Hon. Mr. Pearson: Mr. Speaker, that is one of the policies of our Party. It is one that we think is very, very important and we will be pursuing it very energetically.

Question re: Job Creation and Training

Mr. Penikett: Thank you, Mr. Speaker. I have a question for the Minister of Economic Development. Last November, the Yukon and the Federal Governments announced agreements had been reached on the first subsidiary agreement, under the General Development Agreement. One concept covered by it was for manpower training and job creation for unemployed or underemployed.

My question is: can the Minister tell the House whether the Government intends to comply with this agreement, particularly with regard to the part about jobs, training and creation?

Hon. Mr. Tracey: Mr. Speaker, the only subsidiary agreement that is presently completed, in fact, it is not completed, is the Renewable Resources subagreement, under the GDA. The manpower one has not been developed yet.

Mr. Penikett: Mr. Speaker, I was referring to the announcement which occurred last Fall, regarding an agreement in this area and that was, at the time, the position of the Territorial Government. Can the Minister say if this government has changed its position on that agreement, or is, in fact, attempting to enter into a new one?

Hon. Mr. Tracey: Mr. Speaker, I am not aware of any agreement like the Member is talking about. However, we do intend to have Manpower part of every one of our subagreements.

Now, I do not understand exactly what the Member is talking about.

Question re: Special ARDA Applications

Mr. Penikett: Mr. Speaker, perhaps I could, on the same subject, change direction a little bit.

Can the Minister explain why the Special ARDA applications are going to the Executive Committee for approval, in addition to the review committee established under the Federal-Territorial agreement?

Hon. Mr. Tracey: Mr. Speaker, the reason Special ARDA is going to the Executive Committee is because the Executive Committee and this government are responsible for a portion of all the Special ARDA agreements. So they are all agreed upon by the government.

Question re: Municipal Ordinance Update

Mr. Byblow: I have a question for the Minister of Municipal and Community Affairs. It is my understanding that your department has retained consultant services to prepare an update for municipal legislation in the eventual exercise of an updated Municipal Ordinance. Will the Minister direct consultation with all the municipalities, particularly, the Association of Yukon Communities?

Hon. Mr. Lang: Mr. Speaker, it is the intention of this government, in the area of municipal affairs where there are changes to be made, that, wherever possible, full consultation will take place with the Association for Yukon Municipalities.

Mr. Byblow: Will the Minister actually revise those areas of the present legislation that are objectionable to the municipalities?

Hon. Mr. Lang: Mr. Speaker, at the present time everything is under consideration and; subsequently, I am sure that this House will have a full opportunity to debate it, once we have a revision of legislation to be presented.

Mr. Byblow: Will the Minister take into consideration the inadequate time being allowed for the consultant to prepare the update?

Hon. Mr. Lang: Mr. Speaker, I would appreciate it if that question could be rephrased. I am not too sure what the intention of the Honourable Member is.

Mr. Byblow: The consultant has been retained for a six month period to engage in the necessary consultation and preparation of that updated legislation. It is the stated opinion of the municipalities that this is inadequate to prepare thorough legislation.

My question is, will you entertain an extension of that period?

Hon. Mr. Lang: Mr. Speaker, we will have to give our consideration when that time comes. I cannot speak now; I am hopeful that it will be completed in the very near future.

Question re: Contractors' Condition of Agreement with YTG

Hon. Mrs. McGuire: Mr. Speaker, I will put this question to the

Minister of Highways and Public Works. Further to the question put forth by the Honourable Mr. Fleming yesterday, regarding contractors' unpaid bills, speaking from past and present experience, Mr. Speaker, my question is: to protect the creditors of YTG contractors, would this Government consider putting forth a motion to enter a further condition into YTG's Condition of Agreement of Contractors to read that public notice be posted for three consecutive weeks notifying the public of the contractor's intention to sign any account "Paid in Full" declaration?

Hon. Mr. Lang: Mr. Speaker, I am prepared to take that under consideration.

Question re: Teslin/Gravel

Hon. Mr. Fleming: Mr. Speaker, I have a question for the Minister of Municipal and Community Affairs, and it has been a long-standing question between myself and the Government and the people of Teslin: the gravel situation in the Teslin area again, this year. The Government made a survey last fall, did a certain amount of drilling and have, in their estimation, proven up approximately 8,000 yards of gravel that they say, can be used for cement. They have offered to turn it over to the L.I.D.; however, the L.I.D. is reluctant to accept something that they are not positive of.

Mr. Speaker: Order, please. I believe the Honourable Member is making a statement. I am wondering if the Honourable Member would place his question, please.

Hon. Mr. Fleming: Yes Mr. Speaker. If, in fact, this situation proves that that gravel that they have said is there and is fit for cement, is really not fit for cement, then is this Government prepared to act immediately, because of the situation and the time, Spring is here, to find some other source or to use the area that we have always used along the lakeshore at Ten Mile along the Alaska Highway?

Hon. Mr. Lang: Mr. Speaker, sometimes the Honourable Member has a tendency to doubt statements that I make and, in turn, that can be reciprocated. I am not too sure of the situation that the Honourable Member is speaking of but I will look into it and I will report back to the House.

Question re: Land Development

Hon. Mr. MacKay: This question is also, for the Minister of Municipal and Community Affairs.

Hon. Mr. Lang: This is not my day.

Hon. Mr. MacKay: This is a nice question, Mr. Speaker. In view of the Minister's statement yesterday, in the House, respecting the welcoming of private developers in the land development field, I would like some clarification now. Is it his intention that private land owners be encouraged now, to subdivide and develop their own property in accordance with proper standards?

Hon. Mr. Lang: Mr. Speaker, I think it should be pointed out to the Honourable Member that there is a sharing of jurisdiction between the Government of the Yukon Territory and, for example, the City of Whitehorse or the City of Faro.

As far as our policy, which we are in the process of developing, and that is a platform of the party that the government either develop land in or, in conjunction with private enterprise, develop land.

So, therefore, what I was saying yesterday, Mr. Speaker, and I reiterate today, is that I have no objection to anybody in the private sector coming forward with a proposal and developing a piece of property, whether or not it is privately held, or whether or not they ask for an acquisition of land from the Government of the Yukon Territory.

If we were referring to the City of Whitehorse, of course we would have a tripartite, but I would welcome anyone coming forward with a proposal, and it would be seriously considered by this government.

At the same time, Mr. Speaker, I want to make it very clear that the government must play a part in the land development. I do not want to put the City of Whitehorse or the Government of the Yukon Territory in the position where you have major private land holdings and, in time, they control the actual subdivisions and how a city is going to be planned.

If one looks at the provinces and major centres where there has been private land holding and; subsequently, subdivided, they have controlled the land development and, in turn, Mr. Speaker, they also control the price of land so that it was very much inflated, as opposed to what it actually should be.

Hon. Mr. MacKay: Yes, he almost answered all my supplementary questions, Mr. Speaker.

The question that I still am not that clear on is that if a private land owner in the City of Whitehorse makes application now, to

subdivide his property in accordance with whatever standards may be laid down by the City of Whitehorse, they will receive no hindrance from this government?

Hon. Mr. Lang: Mr. Speaker, I could not give a definite yes or no. It would depend on the circumstances in each particular situation.

Question re: Dawson City Property Tax

Mr. Penikett: Thank you, Mr. Speaker. I, too, have a question for the Minister of Municipal and Community Affairs. Can the Minister advise the House whether Dawson City residents' property tax bills will increase as a result of the new sewer and water system that is being installed, which he knows is a result of an order from the Territorial Water Board, rather than from an initiative from the City residents?

Hon. Mr. Lang: Mr. Speaker, approximately two years ago, there was a special piece of legislation passed in this Legislature providing for the addition of water and sewer to the City of Dawson:

I do not have the information directly in front of me, but there are provisions for the circumstances in Dawson City so that they would not be unduly burdened through the addition of the local improvement, which is the addition of water and sewer.

Subsequently, Mr. Speaker, it is like anything else, like in the City of Whitehorse, if in an older section of town, water and sewer is installed, the individual has to pay on a front footage basis. In Dawson City, they were given special consideration and it is much less than what was normally done in the past.

Mr. Penikett: Supplementary, Mr. Speaker, for the record, can the Minister say if the government will continue to subsidize the operation and maintenance of the new system?

Hon. Mr. Lang: Mr. Speaker, the people in Dawson City are requested to pay, I believe it is fourteen dollars per month and, perhaps, the Member from Klondike can correct me if I am wrong. We do have an agreement with the City of Dawson in respect to coverage in the operation and maintenance side of the present facility. With the advent of the new water and sewer installation, the experts have informed this government that it should be substantially less in years to come, approximately \$100,000 to \$125,000 per year. It will be an ongoing agreement between the City of Dawson and this government, because of the fact of the number of people that are actually utilizing the system.

Mr. Penikett: I have just one last question to the Minister. Could you explain why, in the government press release on February 8th, the MLA was given credit for representation on behalf of Dawson City, but not the other delegations he received in this matter, and including the Leader of my party, the former MLA for the riding?

Hon. Mr. Lang: Mr. Speaker, there were quite a number of people involved and I felt that the Member from Klondike should be given credit. She was involved, fully with the organizing of the meeting that was held up there to explain the system and how it was going to effect the City of Dawson. I think she should be given full credit for it. She organized it, she pursued myself and other officials in the government to get the meeting underway, which we did, and I understand she chaired the meeting and she did a very good job. Subsequently, I think she should be commended for it.

Question re: Teslin Sewer System

Mr. Fleming: Yes, a question for the Minister of Community Affairs. Going along the same vein, in the Teslin area on the O & M costs for Capital Assistance Sewer System there, there is a certain maintenance that has to be done to the pumps, particularly the pumps and the other equipment, but, particularly the pumps every year or two years. It costs, in the neighborhood of fourteen to sixteen hundred dollars, somewhere in there, for parts and so forth. Under the Capital Assistance Program, is that to be paid for by the L.I.D. through their budget or does this Government pick up the tab for that cost?

Hon. Mr. Lang: Mr. Speaker. I will take that question under notice.

Question re: Appeals to Suspensions

Mr. Hanson: May I address these questions to the Minister of Justice?

What is the policy of government regarding appeals to suspensions?

Hon. Mr. Graham: Mr. Speaker, in cases where disciplinary action has been taken against an employee, the first step is a review of the circumstances leading up to the disciplinary action. This review is conducted by the department head. After this review, an employee may appeal the department head's decision to an independent, non-government adjudicator.

Mr. Hanson: Does the government have any policy regarding communication between MLA's and the Territorial Civil Servants?

Hon. Mr. Graham: Mr. Speaker, the government itself does not have any policy, no.

Mr. Speaker: Final supplementary.

Mr. Hanson: Mr. Minister, what was the reason given for the disciplining measures against the Director of the Correctional Institution?

Hon. Mr. Graham: I am sorry, Mr. Speaker, but this is an internal department matter and I believe it be handled as such.

Mr. Speaker: Any further questions?

Question re: Native Language Instructors

Mrs. McGuire: Mr. Speaker, I direct this question to the Honourable Mr. Graham, Department of Education.

The Council for Yukon Indians is administrator of the Yukon Native Language Program, only, and the Native language instructors who are not part of the Yukon Teachers' Association and are without a contract, but are considered casual teaching staff of YTG, are not paid preparation or travel time when warranted.

Mr. Speaker, my question is, will the Minister of Education and this government be prepared to meet with the CYI to establish a contract for the native language instructors to establish terms of reference, which will include payment for preparation time and reimbursement of travel time?

Hon. Mr. Graham: Mr. Speaker, regarding this specific problem, I have already held meetings with the CYI people in question, and the problem is currently being investigated by my department.

Question re: Justice Department/MLA and Press Relations

Hon. Mr. MacKay: This question is for the Minister of Justice. Since it has come to light, Mr. Speaker, that a written order has been received by an employee of his department, which restricts his right to talk to MLA's and the press, can the Minister tell us whether that measure was written with his authority?

Hon. Mr. Graham: Mr. Speaker, I am not fully aware that such a letter, in fact, has been written. My department has passed on guidelines to employees within our department, and these guidelines are very simple.

Where information requested by MLA's is available to the general public, and I mean MLAs both from the Opposition and the Government side, that information should be made available to MLAs. Where that information involves a policy decision or involves an extraordinary amount of work to give the MLA that information, these requests should be directed through the department head or myself.

Mr. Speaker: Supplementary.

Hon. Mr. MacKay: The replies seem to deal only with question as far as it refers to MLAs, but are these guidelines applicable to statements to the press?

Hon. Mr. Graham: I would think so, yes, we have not made any specific policy decision. I would think that the regulations or guidelines would apply.

Mr. Speaker: Final supplementary.

Hon. Mr. MacKay: In view of the potential difficulty MLA's may have as result of that, in obtaining information in the course of your duties, would it be possible for the MLAs, or perhaps, this House, to have the guidelines tabled?

Hon. Mr. Graham: Mr. Speaker, I do not understand the Honourable Member's complaint that there is a difficulty in obtaining information. I cannot remember the Honourable Member ever coming to any of my departments and requesting information, so I do not see why he is making such a statement.

Hon. Mr. Pearson: Mr. Speaker, it is my recollection that I forwarded, to each Member of this House, a copy of a memorandum that I also sent to each of the deputy heads in respect to this question.

Question re: Whitehorse Recreation Complex

Mr. Penikett: Mr. Speaker, I have a question for the Minister of Municipal and Community Affairs. In passing, I would like to comment that I did not receive the memo referred to by the Government Leader.

My question is to the Minister of Municipal and Community Affairs and I would like to ask him, in the event the plebiscite on Phase I of the City of Whitehorse's recreation complex is approved later this month, the City and Federal Governments will be committed to large expenditures for this facility, which can be argued is a benefit to the whole Territory, is the Minister considering Territorial Government assistance to the construction of this centre, if the plebiscite is approved?

Hon. Mr. Lang: Mr. Speaker, at the present time, the capital side of our Budget is very tight. I think it is fair to say, Mr. Speaker, that the Honourable Member is fully aware that this department allocates, to the City of Whitehorse, approximately one and a quarter million dollars. In fact, this year, I think it is 1.4 million dollars of capital money for the utilization of the City of Whitehorse. It is up to them to make their decision of how they want to delineate their priorities. It can be used for recreational purposes, capital work programs, et cetera, under the legislation now in place for the Capital Assistance Program.

So, I should point out further, Mr. Speaker, as far as the allocation for a recreation facility, I believe, if my memory serves me correctly, it is approximately \$700,000 to \$720,000 that the City of Whitehorse could utilize from that particular grant that is given to the City of Whitehorse.

Mr. Penikett: Mr. Speaker, supplementary to the Minister of Education, who is also responsible for Recreation: in the event that this plebiscite is approved, will the Minister's department be prepared to absorb some of the operation and maintenance costs of this recreational facility by contracting with the Centre for swimming classes for school children, for example?

Hon. Mr. Graham: Mr. Speaker, at present, I believe the City of Whitehorse does have an agreement with the Territorial Government in respect to joint use of facilities, whereby students in the various schools in the City of Whitehorse utilize city recreational facilities and, in turn, the City's recreation department utilizes Territorial Government schools.

I believe that that agreement will continue and I do not really see any problem with the Department of Education utilizing a pool in this facility and paying for the use that the Department of Education actually does utilize.

Question re: Special ARDA Agreement

Mr. Byblow: I have a question for the Minister of Economic Development. My question relates to an earlier series of questions. It is my understanding that this House approved a Bill last year, that permitted the Territorial Government to enter into an agreement with the Federal Government for the release of funding under the Special ARDA program of the Department of Economic and Regional Expansion.

My question is: what funding is available to Yukon under this agreement and, simultaneously, what is the Y.T.G. contribution towards this?

Hon. Mr. Tracey: Mr. Speaker, I will have to take notice on that to give him full details.

Hon. Mr. Byblow: Could the Minister, in his deliberation on the question, be prepared also to explain the process by which applications are received and approved?

Hon. Mr. Tracey: Yes, Mr. Speaker.

Question re: Advertising Policies of Government

Hon. Mr. Penikett: Mr. Speaker, I have a brief question for the Government Leader and it concerns the advertising policies of the Government. Can the Minister advise the House who paid for the "Open Letter to the Yukon Indian Residents from the Minister of Health and Human Resources" which appeared in many Yukon newspapers.

Hon. Mr. Njootli: Mr. Speaker, I have the information. The Department of Health does have moneys under advertising votes for these purposes, and there were no over-expenditures. The procedure that I took in consultation in regards to the health transfer agreement was by way of newspapers, and I took on my own initiative, under advisement of course, to use not only the local newspapers, but included five other newspapers throughout the Territory to make a total of nine different papers.

Hon. Mr. Penikett: Supplementary, Mr. Speaker, again, to the Government Leader or whoever wishes to answer it, if these were Government advertisements, could he explain why the letterhead and logo of the Government of Yukon was not included with them to signify their official status?

Hon. Mr. Njootli: Mr. Speaker, the only answer I have to that is that I was not in the Government long enough, in this white system, to utilize those type of letterheads, but in the future I will try to make an attempt to use the proper papers.

Hon. Mr. Penikett: Supplementary, Mr. Speaker. I believe the letterheads are blue, yellow, red and gold, but it is neither here nor there. Can the Minister explain how many replies he received to this open letter to Yukon Indian residents?

Hon. Mr. Njootli: Mr. Speaker, I asked for a reply not only from the M.L.A.'s. I have asked for replies from the Public Health Nurses as well as the Chiefs in Councils, the major Indian organizations. The

overall reaction from the Indian sector is, obviously, that they oppose the transfer.

Question re: YHIS and YHCIP/Reciprocal Agreements

Hon. Mr. Byblow: I have a question for the Minister of Health and Human Resources. It is my understanding that reciprocal health agreements between Yukon and the Provinces do not exist, but that they very well could be processed in the light of the existing medical plan. The problem arises when Yukoners in other areas of the country for whatever reason, are forced to receive medical attention and, in some cases, people must pay cash because jurisdictions do not recognize Y.H.I.S. or Y.H.C.I.P. and wherever they do, there are reported problems in delays with respect to doctors' collecting their fees from Yukon.

Mr. Speaker: Order, please. I believe the Honourable Member is now making a statement. Could the Honourable Member perhaps pose his question.

Hon. Mr. Byblow: Could the Minister inform the Assembly why these agreements have not been arranged to date and if his Department will examine the matter?

Hon. Mr. Njootli: Mr. Speaker, as far as I am aware today, if the Honourable Member is referring to the Health Premiums, it is recognized in all parts of Canada that if a person; for instance, is moving out of the Yukon, the premium goes with him and he is accepted in that particular province; whereas, on the other hand, if a person is moving into the Yukon, the host province, we provide the premiums for three months.

This is set out to accommodate for the transition that it takes to move from one point to another in all parts of Canada.

Question re: Dempster Lateral/Impact on Old Crow

Mr. Penikett: I have, Mr. Speaker, another question to the Minister of Health and Human Resources.

In view of the Conservative Government's position in favour of year-round operation of the Dempster and the Dempster lateral to the Alaska Highway Pipeline and the fears expressed by the people of Old Crow about the impact of these events, can the Minister tell this House what provisions he is making to protect the health and human resources of the people of Old Crow?

Hon. Mr. Njootli: Right now there are twenty-seven resident doctors in Yukon and we do not have any in Old Crow, but we do have a nursing station up there, and there is a nurse there, and I am sure that the people up there are healthy. We are trying to alleviate all the white impacts coming into the community as much as possible, Mr. Speaker.

Mr. Penikett: Supplementary, Mr. Speaker, since both the Dempster Highway and the Pipeline may effect the natural food supply, the economy and the social environment of Old Crow, what provisions is the government making to offset these negative impacts on the community?

Hon. Mr. Lang: Mr. Speaker, I think the Honourable Member, at the present time, is referring to the Dempster Highway and I think that, in respect to the Dempster Lateral, I think that that decision is a long way off, and it probably would best be discussed at a greater length when the decision-making is done in areas other than Yukon in matters of that kind.

But, the government has made the decision, Mr. Speaker, to keep the Dempster Highway open on a year-round basis and, at the same time, we are developing stipulations between myself and the Minister of Renewable Resources in respect to monitoring the highway and, at the same time, making provisions so the caribou are protected.

I think that the previous government can be given a great deal of credit for the fact that they did bring in regulations in respect to hunting along the Dempster Highway, and I am sure that it is the position of this government that that will be maintained.

Question re: Water and Sewer Contracts

Hon. Mr. MacKay: Yes, Mr. Speaker, I have a written question I would like to put in the records. It is to the Minister of Highways and Public Works.

Will the Minister provide this House with the following information: since 1974; 1) how many water and sewer installation contracts have been completed; and 2) how many of these contracts were for less than \$250,000; 3) how many contractors from Yukon undertook these contracts in question 1 and question 2; 4) how many of these contracts were not satisfactorily completed; and 5) of the contracts not satisfactorily completed, how many of these contractors are still in business?

Question re: Pipeline Impact Information Centre Funding

Mr. Penikett: Yes, one brief question, Mr. Speaker, to the Gov-

ernment House Leader. The other day he was kind enough to give me a reply to an earlier question of mine about the Whitehorse Pipeline Impact Information Centre, and in the reply that was tabled, Mr. Speaker, it makes mention of the fact that the pipeline company has yet to provide similar funding assurances of the three-way funding.

Can he now, tell the House what dollar level the funding will be forthcoming to the City from the Federal and Territorial Governments in the absence of this commitment from the company?

Hon. Mr. Pearson: Mr. Speaker, I would like some time. I think I can get the actual dollar levels that the Federal Government is talking about.

Mr. Speaker: There being no further questions, we will then proceed to Orders of the Day on the Order Paper, Motions other than Government Motions.

ORDERS OF THE DAY

MOTIONS

Mr. Clerk: Item Number 1, standing in the name of Mr. Byblow.

Mr. Speaker: Is the Honourable Member prepared to deal with Item Number 1?

Mr. Byblow: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Faro, seconded by the Honourable Member for Campbell, that this Assembly congratulate the Town of Faro on its 10th anniversary taking place this year, and further, that in recognition of this, the Speaker send a letter of congratulation on behalf of this Assembly to the Mayor of the Town.

Mr. Byblow: Mr. Speaker, the anticipated unanimous approval of this motion may appear as somewhat of a frivolous order of business by the House, but I believe the occasion outlined in the motion has a far greater significance to this House than most people realize.

It was on June 19th, of 1968, when the Commissioner of the day, Commissioner Smith, tabled a Sessional Paper in the Territorial Council that outlined the background of dealings between the Minister of Indian Affairs and Northern Development and Cyprus Mines Limited.

The arrangements to bring a mine in the Yukon wilderness into production and accommodate the needs of a community were complex and many.

These arrangements were years in planning. In fact, the original finding of the outcrop that led to the presently mined ore body dates back to the early 1950's. That is another story.

Mr. Speaker, the first construction of the town began in the Spring of 1969, ten years ago. And, the first families moved into housing by October of that year. It may be this single event that the anniversary recognizes but it is the intervening period that is the real accomplishment.

Mr. Speaker, it is very difficult to clear a site, install some services, move some people in and call it a community but, Mr. Speaker, the ten years since that originally happened have seen the evolution of those inter-relationships, those bonds, and those commitments that build a community. It has not been easy.

The Assembly will recollect the reverberations felt with each break in the production at the mine. In a community sense, there was a growth with each passing year, as the community matured, as it accepted its place in the Yukon order, or dis-order, of things. That maturation is still going on, Mr. Speaker. In fact, some of my last few comments could be applied as well to Yukon as to Faro. In that sense, we are in this together and the growing pains that are going to come should, in no way detract from the occasion being observed by Faroites this year.

Mr. Speaker, 1643 people out there, called Faro and Yukon, "home". As their ambassador, I remind this House of Faro's vital, contributing and permanent stature in Yukon. The impact to Yukon by Faro in its few short years of existence is but a token of what potential can yet be tapped. Without question, the occasion of their 10th Anniversary warrants a unanimous congratulatory gesture and I ask this House to provide it.

Thank you, Mr. Speaker.

Hon. Mrs. McCall: Mr. Speaker, on behalf of the City of Dawson, I would like to add congratulations to the Town of Faro and compliment the area as well, in giving recognition to two of Canada's great unsung heroes, the explorer, Robert Campbell and his native friend and guide, Houle. I feel confident that between the oldest municipality and the newest, we will soon have the rest of the Yukon aware of the really exciting parts of our history. I am sure

that all of Dawson City joins me in wishing you the very best in the future.

Hon. Mr. Penikett: Mr. Speaker, Faro is one of my favourite places in Yukon as well, and I am sure the Honourable Member will not mind if I also point out that it is the home of a large number of good New Democrats.

Very briefly, Mr. Speaker, I would like to join the House in paying tribute to Faro on the occasion of this celebration.

Hon. Mr. MacKay: I would also, like it to be felt that congratulations have also been sent from this House to all the Liberals in Faro, too.

Hon. Mr. Fleming: Mr. Speaker, I think it has all been said; however, as a seconder of the motion, I wish to congratulate Faro and the mining company for what they have done in the Yukon. I think we have seen what can happen when a strike, or something of this magnitude does come upon us in the Yukon a year or so ago, and so we know the economy is really in the mining industry.

Thank you, Mr. Speaker.

Hon. Mr. Njootli: Mr. Speaker, I too, coming from a community that is 50,000 years old, would like like congratulate the Town of Faro.

Hon. Mr. Lang: In respect to this side of the floor of the House and looking around the House, and all Members, I think I am probably the only member that can actually say they were on the property the day the sulphides were hit. It was a very exciting day. I recall being about sixteen or seventeen years of age and there I am, giving my age away again, the day that we hit them and the excitement that was generated and; subsequently, we have the town of Faro.

I will say to all Members, that Faro has improved greatly, the addition of houses, et cetera, definitely is a far cry from the accommodations that we had at that time.

Further to that, Mr. Speaker, on a more serious vein, I think from a government side of the House, I think it is evident that we do see a long term future involved. If you notice in the budget, there are finances available for addition to the present school there, and I am sure that from all Members of this house, we see a long term future for Faro and, in turn, for the Yukon.

(Motion agreed to)

Mr. Clerk: Item number two, standing in the name of the Honourable Mr. MacKay.

Mr. Speaker: Is the Honourable Member prepared to proceed with item two at this time?

Hon. Mr. MacKay: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Leader of the Opposition, seconded by the Honourable Member from Kluane, that this House censures the Government for lack of progress in rectifying the deficiencies identified by the Auditor General in his reports to this Assembly.

Hon. Mr. MacKay: Thank you, Mr. Speaker. I thought it was appropriate, Mr. Speaker, that we debate this motion in the middle of a budget session, because as we all realize, this House is responsible to the taxpayers of the Yukon for expenditures in the coming year of over \$120,000,000. Very soon, we will be required to give approval, vote by vote, to the Main Estimates. No doubt, rugged debate take place as we battle to ensure the best allocation of public funds entrusted to us. It is an onerous responsibility which, particularly on new Members such as myself, will find difficult to discharge, because of the volume of information that we have to digest so quickly.

However, when we finish the Main Estimates, sometime in April, we should not feel our responsibility has been discharged. It has really only begun. The Members opposite, who comprise the Executive Committee, may well gain approval for their Estimates, but will they, a year from now, be able to say honestly, to this House, that they controlled their departments' expenditures, that they were satisfied no money was wasted, that the money was spent as allocated, that over expenditure could not have been avoided? Mr. Speaker, I think the answer to these questions will be no.

The reasons for this opinion are based on the conclusions reached by the Auditor General of Canada in his reports to this Assembly.

I would like a brief history of these reports in recent years, and also, the government's, and what I consider, totally inadequate response to these.

The main report, Financial Management and Control Study, was given to this Government in 1976, two and a half years ago. It is interesting to note that this report was not tabled in this House until

April, 1978, a full one and a half years after the report was submitted to the Executive Committee.

Here are some of the findings in that 61-page document. It was a very thick document with closely spaced typing with many, many recommendations in it, Mr. Speaker. I picked out a few that I would like to bring to the Members', opposite, attention, with some comments.

The major criticism of that Report, Mr. Speaker, was that the Department of Treasury has been overridden by the operating departments of this Government, and that the clear responsibility of Treasury to control the finances of this Territory has been usurped by the operating departments. That was the central criticism.

They went on with some rather startling comments, some of which I find interesting. They said somebody, and I think they meant the Territorial Treasurer, somebody should take responsibility for collecting the revenue. My mind shudders to think that nobody was taking that responsibility.

They also went on to say that adequate accounting controls should be established for the sale of lands. Were we selling land and not keeping track of it? It appears from the comments, in fact, that there was nobody, anywhere in the government, keeping track of how much was left owing on land sales, or insufficient record at any rate.

They also said that a listing of capital assets - this is a small one, but it is interesting because it was one that I could check out, the listing of capital assets anticipated to be charged to road equipment replacement account should be part of the Main Estimates. Well, if you check page 192 of your Main Estimates, you will find no listing of the road equipment replacement. We have got one figure of \$100,000.

They also recommended that a list of individual grants and contributions should be specified in dollar amounts in the published accounts of the Territorial Government. If you check in the published accounts of the Territorial Government, they are not there.

They also said that there was no adequate control over capital assets. I am not sure of the depths to which that comment went, but it was certainly a fairly major criticism.

Now, we come to one which is still a thorn in our side. They said the function of the Internal Auditor, Mr. Speaker, should be clearly defined. It goes on to say that the responsibility for this job is enormous. He is supposed to monitor the day to day financial operations of the government. The Internal Auditor is supposed to report to the Commissioner.

Well, I did a little investigation of that. I phoned the Internal Auditor's office. Well, there is no Internal Auditor. I found that out fairly rapidly. So I said, "Well, I have a problem. Who should I speak to? Well, you must speak to the Territorial Treasurer's office." So here I am, a citizen; perhaps, who had, perhaps, a complaint on the Government's spending, being referred to the very Department who are, in fact, responsible for that problem.

I think that, at least in the absence of an Internal Auditor, the phone could be directed to the Commissioner's office.

In spite of the scathing remarks in the report, no qualified Internal Auditor has been hired. We tried once and failed. As a matter of fact, Mr. Speaker, his job has not even been defined yet. This is March, 1979. These comments were made in November, 1976.

It goes on. It says Capital Program. Now, an area where a large amount of money is spent, that we are going to be asked to approve shortly, the question of land development, and they suggest in that area, as an example, that more visibility and accountability should be given to it so that the members of this House, in passing Main Estimates, would have some knowledge of what was proposed.

Now, in the Main Estimates, on page 128, we see seven and half million is proposed to be spent on this, with no explanation worth mentioning.

On the Public Accounts, there are at least two recommendations that have not been carried. These are the annual financial statements. They are not very large, but nevertheless, they point out that these things have not been done.

Well, I have reviewed some of the problems. Now, I would like to turn to the Government's comments. Now, they were, in fact, made apparently, in May, 1977, in response to the document of November, 1976, Mr. Speaker. Again, these comments were not brought to the attention of this House until April, 1978.

The response, at first glance, appears to be adequate. They are quite agreeable. That is, on the one hand they are saying, yes, we admit that things have not been as good as they should be, and; on

the other hand, we are going to try and fix them.

No doubt we will be hearing from the other side how these efforts have been progressing. However, on closer examination, the answers are not adequate. Quite a number of the answers to these questions say, well, yes, that is certainly a problem and we will be relying upon the internal auditor to make sure that these problems do not persist. We have no internal auditor, so the problem still persists.

In other cases, the answer was agreed, that is all, leaving one with the impression that having said that, well, that is it, agreed.

A number of disturbing facts have to be explained. This response was dated 1977, almost two years ago. As was shown, where it is possible for us as MLA's to check the material, because I have not gone through Treasury Department, and I do not think it would be proper for me to try and do so, I have only used the material which is provided to MLA's to look at this evaluation. In spite of that, we can see that many of the recommendations have not been followed.

It should also be said that the author of these comments, and I am not quite sure whether it was the Government who was offering the comments or the Auditor General said that, "No attempt was made to verify that the actions indicated in the response were taken".

Well, we know that some of these recommendations have not been implemented and we also have now, the final and latest of a series of indictments on this Government, for which they cannot apply the responsibility.

This was dated January 9th, 1979, tabled in this Assembly on March 7th, Mr. Speaker. I would like to mention just a couple of areas in that letter which are worthy of being placed in the records.

It said, "On March 1st, 1978, the Territorial Treasurer prepared a status report on the implementation of our recommendations indicating that, while positive action is planned, almost all of the deficiencies have not yet been corrected.

"Our recent confirms that there has been little action beyond that indicated in the March status report..." The recent audit does not say when, but this letter is dated 1979 "...and a considerable amount of work to improve the financial management and control remains to be done."

Further on, they say, "Qualified staff should be appointed as soon as possible to fill vacancies in the Department of the Territorial Treasurer." A very current request, and a very reasonable one.

They go on to say, "Internal auditors, the planning, coverage and scope of internal audit activities are not adequate and action to date does not correct the deficiencies in this area identified by our Financial Management and Control Study."

Mr. Speaker, I would not want this speech construed in any way as an attack on the personnel of Treasury. That is not what I am doing in this speech. Indeed, I hope the government does not take it as that, or try and avoid answering the questions by saying they are attacks, because they are not attacks.

Treasury personnel, I see, are hampered by a recognition of their role in this government. Now, it is their overall, paramount, overriding duty to see that the finances of this Territory are handled properly.

We have passed ordinances in this House giving that Treasurer that duty. We are now not allowing that Treasurer, and his Department, to perform that duty because we are not providing him with sufficient funds to be able to hire qualified people.

We need only, note that the course of going through the Supplementary Estimates, Mr. Speaker, that there was a net gain of one person in that Department in 1979, and the 1979-80 Budget shows an actual decrease in forecasted expenditures over the actual of last year even allowing for the removal of the Data Processing Department from that area.

I put it to you, Mr. Speaker, that this Government here, today, has a clear responsibility for not recognizing the urgent need to strengthen the Treasury Department. That is why I move this motion of censure, Mr. Speaker. The sins of the past administration cannot be visited upon the present administration, unless of course, they are foolhardy enough to repeat the same mistakes. I submit to you, Mr. Speaker, they are about to.

Hon. Mr. Penikett: Mr. Speaker, I rise to support this Motion and the remarks of the Honourable Leader of the Opposition, which were addressed to it. There are really, no two ways about it. The public purse has not been managed properly and I think it is, in large part, due to political inaction at the highest levels of the Territorial Government.

It is really a strange situation we find ourselves in. The only

reason parliamentary government exists is because of the public's demand that its representatives be the only ones responsible and accountable for spending their tax dollars. There is no possible way, Mr. Speaker, that this Government can hope to achieve fully responsible government until this Legislature and the Parliament of Canada can be assured that our books are in order.

We must be thankful, Mr. Speaker, that we have two people with the expertise of the Auditor General of Canada, and I would say of the Leader of the Opposition here, around to let us know when things are beginning to go wrong.

After reading the Auditor General's criticisms of last March of this Government's financial system and the recent letter by him of January and the Commissioner's response in March of this year, I can only conclude that the Territorial Government has indeed, failed the public to whom it is accountable and accordingly ought to be censured for it.

I find it very discouraging that the Commissioner reports that only three of the twenty-nine projects to get YTG finances under control have actually been accomplished since last June when the Executive Committee approved a plan of work to overcome the inefficiencies.

By reading between the lines, Mr. Speaker, I do perceive a distinct lack of energy on the part of the Territorial Government to get on with the job of the other twenty-six projects, and ensuing that all the things seen as necessary by the Auditor General, are done.

If anything, Mr. Speaker, this crisis of management proves the dire need for a Public Accounts Committee; a committee that would watch-dog the public purse under the direction chairman who is a Member of this Opposition.

Before continuing, Mr. Speaker, I would like to make it known that we are debating this motion in the absence of some vital information, and I, for one, would greatly appreciate it if the government would help us out.

In his letter of March 10th, 1978, the Auditor General said, "There is a lack of understanding within the Government; the Territorial Treasurer, is directly responsible for the integrity of all financial systems throughout the Government" and that the Treasury had not developed the strong functional relationships with the other departments and government agencies that will enable the Treasurer to provide the needed leadership, funds and direction in all government financial matters.

Has this been done? We do not know, really, from what the Government has told us so far. We also, do not know which three financial management projects have been accomplished, so far by the YTG, nor what is involved in the other twenty-six. I certainly hope that the Government will tell us about that.

We should also be informed, if for no other reason, that because we are taxpayers and taxpayers' representatives, whether the "other areas of concerns" as outlined on pages two and three of the Auditor General's letter of last March have been acted upon? I could list other concerns, Mr. Speaker, but the Government knows what they are talking about.

We need some answers, Mr. Speaker, and as taxpayers' representatives, we deserve them and we deserve action to solve the problems soon.

Quite seriously, we do not want to sit here, simply as witnesses to a paper war between the Auditor General's Department and the Government of Yukon.

The Auditor General of Canada has repeatedly bemoaned the failure of the Federal Parliament to tame the monster that is the Federal bureaucracy, and that situation is a continuing crisis. The Federal Government has shown little willingness to allow Parliament in Ottawa to create the machinery necessary to regain control of the public purse.

Mr. Speaker, it is not too late for us. In global terms we are a tiny jurisdiction. Our finances ought to be manageable. Let us, with all due haste, create the Public Accounts Committee which was discussed in this House and get on with the job of accounting for our monies.

I believe, Mr. Speaker, quite sincerely, that if we do nothing else in this Session, if we are able to see the public accounts committee become a reality, then, I think it will be a noteworthy achievement.

Thank you, Mr. Speaker.

Hon. Mr. Pearson: Mr. Speaker, although it is awkward, I have to rise in defence of the government that is being censured. I am not too sure which one it is. There have been a few misconceptions put on the floor by the Members opposite.

There has been a considerable amount of work done, at considerable expense to the taxpayers of the Territory, to try to, at the

earliest possible date, comply with the recommendation, and they are recommendations by the Auditor General.

One was that there has not been any recognition in the current budget of the suggestions made by the Auditor General. In fact, the branches of Service and Supply and the data processing have been moved out of Treasury. Now, that involved a number of people.

In spite of those moves out, an analysis of the man years in the Treasury budget will indicate that there are six new man years. These six man years are as a result of the Auditor General's Report and the required work that has to be done.

Now, Mr. Speaker, the major recommendation made by the Auditor General was that there had to be a Financial Management System developed. I would just like to bring the house up-to-date on what has been done to the present time.

The Honourable Member from Whitehorse West mentioned that there are twenty-nine specific projects recommended by the Auditor General. At the present time, seven of those projects, Mr. Speaker, have not been started. Four are in the planning stage; thirteen are in the development stage; two have been implemented and three have been finished.

The programs that are being worked on, at the present time, includes the discussion paper from the Bureau of Management Consultants which has been presented both to the FMS Work group and the Steering Committee. This paper outlines the design of the classification of accounts, definitions for each data element and suggested parts of accounts where the authority and the object, classifications.

In conjunction with the Department of Education, preliminary charts of accounts have been developed for the program activity and responsibility centre classifications for that department. Further to that, Mr. Speaker, I attended a meeting of Deputy Heads not too long ago where this whole process was explained in detail to the department heads, and the object being that this is a program that is going to be carried out throughout the whole government. At the present time, it is only Education that is involved. It was picked as the first one primarily, because it is a very large one and it had the multiplicity of programming.

The financial administration and accounting control manual is at the point where the third draft of a number of the chapters, numbers 1, 2, 4, 5, 6, 7, 8, and 9 have been completed. Chapter one has been given to a consultant for further review and Chapters 3 and 10 are still to be done.

The Consolidated Financial Authorities User Manual, copies have gone to all of the departments and agencies of YTG and the departments were visited at the time of distribution, and the intent of the manual was explained.

The Finance Operating Manual, the contents have been approved by finance branch managers, and reviewed again by consultants, or by a member of the Auditor General's office. The printing of this manual is on at the present time.

In the hardware and software considerations: in hardware, we have received three proposals from consultants to perform a hardware evaluation, with one or more proposals due in the near future. Representatives from Curry, Coopers and Lybrand were here for one day to evaluate the project. In software, Software International gave the Department of Finance a presentation on their general ledger system and a brief overview of their payroll product. The general ledger looked particularly promising, so it will be investigated in more detail.

Now, Mr. Speaker, there is an awful lot of work being done, some of it does take a tremendous amount of time to do. I do not think that we, on this side, can support a motion to censure this government or any other government, for the work that has not been done, because it is actually being worked on.

Mr. Speaker: Is there any further debate?

Hon. Mr. MacKay: Mr. Speaker, I believe that I may be able to make final comments on this, before we close debate.

Mr. Speaker: I have already called the question, but in this particular occasion I will allow the Member to make his final speech, but perhaps, Members could rise when they wish to speak.

Hon. Mr. MacKay: Mr. Speaker, I apologize, I had hoped that, perhaps, some other Member of the Government might have been standing up too. I wanted to give them full opportunity.

Mr. Speaker: Proceed.

Hon. Mr. MacKay: I would just like to reiterate a couple of points that I do not think have been rebutted, really, but are worth reiterating. Three out of the twenty-nine recommendations of last March have been completed, twenty-six have not. Only one department has begun to implement the very vital new coding sys-

tem to allow for proper evaluation of responsibilities and functions.

This, really is a testimony of what I would call weak political will, Mr. Speaker, because these steps are mechanical, they are simple, they know what has to be done. It is a question of having the political will, the guts to put a little more money into making sure that this is going to be done.

I submit to you, that the very little money, in comparison to the \$120,000,000 that this Government has got, the very little money, Mr. Speaker, that it would take to bring about these changes far more rapidly, would be repaid many times over, I am sure, by the money saved on the new, proper, accounting system.

So, Mr. Speaker, I can not accept the position of the government in which they say that really, it is the previous government's, maybe a little of themselves. I can not accept that because they have not shown political will and the sincerity, in the form of dollars, it will take, to work this problem out and, I suspect, Mr. Speaker, I may very well have to bring this motion forward again at this time next year, with, perhaps twenty-five out of twenty-nine of the recommendations still to be completed.

Mr. Speaker: The Member having twice spoken, has closed the debate.

Would all the yeas, kindly signify?.

Would all the nays kindly signify?

(Motion defeated)

Mr. Clerk: Item Number 3, standing in the name of Mr. Penikett.

Mr. Speaker: Is the Honourable Member prepared to deal with Item Number 3?

Mr. Penikett: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse West, seconded by the Honourable Leader of the Opposition, that, in the opinion of this House, no public funds should be expended for, lent to, or invested in the White Pass and Yukon Corporation by the Government of the Yukon, prior to full public disclosure of the Corporation's financial affairs, including dealings by and with its parent company, Federal Industries Limited of Winnipeg.

Mr. Penikett: Thank you, Mr. Speaker.

When I was a kid, I always wanted to play with trains. Now that I am grown up, I am worried that I may never get the chance.

Local wags used to describe White Pass and Yukon Route as "Wait Patiently and You will Ride". I have been patient, Mr. Speaker. We have all been patient, but I am not sure that I am ready to be taken for a ride at this time, at least not on a railway.

Every person in Yukon would be sad to see the White Pass Railway shut down, Mr. Speaker. It not only brings consumer goods from across Canada and Vancouver into our stores, and tourists from Skagway in the summertime, but it ships out minerals from mines and provides many, many jobs. We would all find it hard to live without.

The White Pass means a lot to the Territory, not just in service and not just because it is an integral part of our economy's infrastructure, but because it is also history and people.

We all know someone who works for White Pass and we all know that they make a lot of money that they pour back into our economy. These are good people, good, hard workers who earn their pay. Good hard workers who keep a system operating in the harshest of weather. Good people who raise families and who are active in the community organizations in the Territory. Good people who not only keep our economy, but our community, active and healthy. It would be a shame to see them go. The fact of the matter is, nobody wants them to go.

There is no possible way that a rail-ocean-highway system should shut down, not while there is ore to be shipped out and goods to be brought in. White Pass may lay off workers and cut service in some areas, but the railway ought never to be completely shut down, because, no matter how bad things get, it will still be needed to serve its primary purpose, moving goods.

Mr. Speaker, the events leading up to this motion today are strange, almost fairy tale. Instead of fairy tale, we should not be discussing this matter at all, if White Pass was run by people who had the attitude of the child's story "The Little Train that Could".

In 1972, the company's net earnings or profit were \$2.2 million, which is equivalent to ninety-eight cents per share. In 1973, a holding company called Federal Industries Limited of Winnipeg, which is owned by a family of grain dealers, bought 50.2 per cent of the outstanding common shares of White Pass.

In 1972, the company paid out \$843,429 in dividends and declared

net earnings of \$2.2 million. In 1973, however, when Federal gained majority control, the company reported earnings of \$2.6 million, or \$1.20 per share, and paid out more dividends of \$1,033,071.

In 1974, net earnings dropped dramatically to \$605,071. for the year, or twelve cents per share. Yet somehow, the Board of Directors thought it in the best interest of the shareholders to pay out the same amount of dividends as in the year previous. They actually paid out \$210 more in dividends, to the tune of \$1,033,281.

In 1975, things picked up from 1974 and profit rose to \$1.5 million, or sixty cents per share. While this is no where near the sizeable profit made in 1973, the company paid its shareholders, notably Federal Industries, ostensibly the same amount of dividends as in the best year in recent history. The total sum in dividends in 1975, was \$1,033,000, only \$71 less than in 1973, their best year in recent history.

In 1976, profits dropped again, this time to \$816,000, or twenty-four cents per share. We note that the amounts paid in dividends dropped below the \$1.3 million per year level, followed for the next three years prior to this, to \$702,000. Compare this to 1972; however, when the company paid only \$843,000 in dividends, and had net earnings of a much larger \$2.2 million.

1976 must be remembered as the year Federal Industries gained complete control of White Pass. In 1976, it bought up the remaining 49.8 per cent of the White Pass shares and it was theirs, all theirs, for better or worse, better for them, worse for us, I think, Mr. Speaker.

In 1977, White Pass had a reasonable first six month period, earning nearly \$600,000, or twenty-two cents per share. It paid a reasonable \$186,000 in dividends for that period. In 1977, profit rose to \$1.4 million and White Pass paid what is considered a minimum amount in dividends of \$371,000.

Now, the White Pass story gets even more interesting. In early 1978, after nearly eighty years in business, the White Pass or, more appropriately Federal Industries, went to the government looking for handouts. According to the report of the Yukon Railway Task Force, Mr. Richard Hubber-Richard, then President of White Pass, met the Minister of Indian Affairs and Northern Development to discuss the company's position with regard to the loss of asbestos traffic from both Clinton Creek and Cassiar B.C. and the competition from trucking on the Carcross-Skagway Highway.

At that time, the only thing Mr. Hubber-Richard wanted was the Minister to consider limiting the use of the highway to non-commercial traffic. In June of last year, officials of the Transport Department, Northern Development and the YTG met Hubber-Richard and some of his staff members.

At this point, I quote the report: "Mr. Hubber-Richard indicated that the problems were more serious and more fundamental than previously thought. Without financial assistance, both capital and operating, or purchase of the railway by the Federal Government, the railway would be closed, in view of anticipated losses."

Mr. Speaker, I am literally, surprised at the gall of Federal Industries. The only reason they could possibly anticipate losses in 1978 is because they were milking White Pass for all it had. In the first six months of 1978, Mr. Speaker, the Company publicly reported a net loss of \$49,000, yet paid out, at the same time, dividends amounting to \$635,000. That is almost as much in dividends as in the entire year before, when they had a profit of \$800,000, and almost as much in dividends as in 1972 when they had a profit of \$2.2 million.

In 1975, to go back for a moment, shortly after a long strike at Anvil and while share prices were down, minority shareholders were asked to sell all their shares at these reduced prices. Some refused to sell at that price, so in April, 1976, Federal Industries went to the Supreme Court of British Columbia and obtained a Court Order forcing these minority shareholders to sell out on the basis that Federal Industries already controlled more than ninety per cent of the shares.

At that time, the Company, Federal Industries, predicted increased competition in the British Columbia Railway and the Carcross-Skagway Road, as well as the closure of Clinton Creek. Federal Industries was aware of all these factors that could influence the company's financial position exactly at the point it assumed total control of White Pass and; furthermore, Mr. Speaker, they used this knowledge to argue in Court for a devaluation of White Pass shares.

Now, no company that has any intention of remaining financially solvent would pay out over half a million dollars in dividends when it knew it would be at the expense of ending up with a net loss unless they were deliberately, out to paint a gloomy financial picture so that they could get handouts from a Government on the verge perhaps, of a Federal election.

In June, 1979, White Pass said it wanted an answer back by December and the Minister, to his credit, set up an effective task force to examine the situation, and he came, probably, to the right conclusion. The White Pass does not need one cent, one red cent, of the taxpayers' dollars.

Throughout the Report, if Members would care to read it, we find astonishing references to Federal Industries' "desire for motivation" to keep the White Pass operating. It is no wonder they did not have the guts to go to the bank, because no bank would have given them the money to invest in a corporation that was deliberately being bled to satisfy this vampire, Federal Industries.

When it published its report, Mr. Speaker, the Railway Task Force obliged the Company by keeping Chapter Six, the chapter dealing with company finances, a mystery to us all.

But in the Summary, we find the following, and I quote, "The Task Force was concerned over several aspects of Company Policy which could have contributed to the current financial difficulties...the payment of dividends, maintenance of inventories, marketing strategy and the Company's relationship with its corporate parent".

The Report concluded that to keep the Railway Division of White Pass physically capable of handling traffic until 1983, improvements totalling \$5.7 million in capital expenditures were needed, Mr. Speaker. That is not much money at all, considering Federal Industries has already made nearly that much in clear profit since it took an interest in White Pass.

The White Pass is made up of several divisions, Mr. Speaker, including the profitable petroleum division, the fuel oil pipeline from Skagway, Loiselle Transport, Bulk Mines Concentrate Terminal in Skagway, Pioneer Alaska Express Incorporated in Alaska, Pacific and Arctic Motors, recently deceased, the Highway Division and the Ocean Division and last but not least, its Railway Division.

The Company's dubious claims to financial difficulties, Mr. Speaker, are blamed on its Railway Division. It is odd to think of this, because in the times before Federal Industries acquired controlling interest in White Pass, all divisions of the corporation pooled their earnings and losses to help each other out. Since Federal took over, we find that one division falls into hard times and the public is being led into believing the end of the entire system is nigh.

We find even more in the Railway Task Force Report. The rail division will make money in 1978, not lose any, but the Report adds the Division's profitability was suffering from rapid increase in operating costs and the immediate future was not bright. Losses, it said, may amount to \$1.5 or \$2 million for the railway, Mr. Speaker. The freight increase effective this Thursday, of course, may partially alleviate this.

How bad is the situation? How bad off is the Railway Division really, the Ocean Division, the other divisions? How good does the future look given the various possibilities? The Report does not tell us that. It is in Chapter Six and in the Tables of Figures that were not released to the public.

Why would the Rail Division be in such shape? Perhaps, it could be due to unscrupulous financial practices in these circumstances. Perhaps, the owner was having its Rail Division charge its Fuel Division 1967 rather than 1978 freight rates, as we have heard rumoured.

Who are we to blame? Surely, it is not White Pass itself. Mr. Speaker, the blame can only rest on the owners, Federal Industries, those grain dealers from Winnipeg that the farmers of the prairies can tell you endless stories about--like how wealthy they are, how shrewd they are, et cetera, et cetera.

Federal Industries, Mr. Speaker, is a holding company that owns Neptune Bulk Terminals of North Vancouver, Standard Aero Engine of Winnipeg, Thunder Bay Terminals, and White Pass. The White Pass alone, accounts for fifty per cent of Federal's annual revenue. It is clear from the information I gathered from White Pass' annual reports, that Federal Industries have been making a killing off White Pass, off Yukoners and off our mining industry. It is kind of mysterious that Pacific and Arctic Motors was shut down for apparently, no good reason. It is also mysterious that White Pass ships were converted to barges and put on ten day schedules when last year in this House, the Members were assured there would be no decrease in service. But suddenly, there is a decrease in service, ask anyone waiting for something coming via White Pass.

Suddenly, White Pass is threatening to shut down. Employees are nervous, the public is, too. Why? Because Federal Industries saw several years ago that the White Pass was the only rail com-

pany in the country that could make a profit and stand on its own two feet without government assistance.

Would it not be just like a bunch of grain dealers to try and strike fear in the hearts of the public and then go to the government crying, we need welfare. We cannot go it alone like this any longer, all the while certain that public pressure would force at least one government to do something.

Mr. Speaker, I have only examined two aspects of the company's finance: the amount of dividends paid the shareholders and the net profits from the last several years. In 1974 to halfway through 1978, the latest public figures, the White Pass earned its shareholders \$3.7 million.

In the same time, a net profit of \$4.3 million was earned, leaving a net of \$500,000 for White Pass in a four and a half year period.

I am told by a certain financial expert, who I will not name, that at the minimum, a company should pay its dividends on its preferred shares every year unless it is in really bad trouble. If that is the case, White Pass should have paid a minimum of \$1.7 million, not \$3.7 million, in that period, if the parent company had any intention of keeping the company in good operating condition.

The review of the amount of dividends paid out to Federal compared to company's profits is shocking itself, but when you look at the amount of working capital over the years, it is even more alarming.

At the end of 1973, the company had \$8 million in working capital. It steadily decreased every year until June of last year, there was only \$320,000 of working capital left.

Mr. Speaker, I have taken a detailed look at the White Pass payment of dividends to its owners over the past few years, and a glance at how badly the working capital has been depleted. To my limited knowledge of the world of high finance, what I have seen is incredible. If I was allowed to dig deeper, I am sure many more wounds would come to light.

Because of the obvious importance of the railway to our economy, and the no less importance of it to our heritage and our community as a whole, the public deserves some answers, Mr. Speaker. It deserves answers that this government and the Federal Government should provide or, at least, endeavor to obtain.

I am glad to see this government take such an interest in supporting the continuation of the railroad. It is its duty to do so. We are reassured by the Minister of Economic Development that, by the time of the upcoming talks with the company, he will have checked into the points I have raised earlier in Question Period.

We certainly do not want the government to get sucked into something it should not be involved in.

Mr. Speaker, and I am glad to say, the government seems to be going into these matters with its eyes open and its mind clear.

I feel all Members of this House can support this motion, Mr. Speaker, and most of all the Government Members opposite, for if public funds are to be used, in any way, to help out this group of Winnipeg grain dealers, we should know exactly why and what it is for.

It would only cost the Yukon or Federal Government or CNR or CPR between four and eight million dollars to purchase the railway at salvage value, or eleven to fifteen million dollars to buy out the whole White Pass. That, Mr. Speaker, may yet prove to be necessary, but I am sure the public would rather see the White Pass stand on its own two feet, as it has for the past eighty years, without government help, and serve them efficiently and well, Mr. Speaker.

Federal Industries has bled White Pass dry, Mr. Speaker. Now, this parasite wants us to give the corpse a transfusion. White Pass needs a new owner and I am prepared to say that if it is necessary, it has to be public ownership, so be it, but, if White Pass wants to go on welfare, they must demonstrate their need, they must show the public their books and be prepared to answer the hard and unpleasant questions that will arise.

Thank you, Mr. Speaker.

Mr. Speaker: Is there any further debate?

Dr. Hibberd: Mr. Speaker, I am indeed pleased to hear that the Honourable Member of the NDP has come out in his true colours and shown considerable support for private enterprise in the Territory and we will indeed, welcome him over here if that is his new allegiance.

Mr. Speaker, I think this is indeed, a good motion. I think, as evidenced by the Member from Whitehorse West, there is a good deal of information that we do indeed, require before we could look into some subsidy scheme, or even contribute to it in the viewpoint

we wish to take by this government.

But there is one point that does bother me about this, Mr. Speaker. The indication here, is that public funds from the Yukon Territorial Government should not be used in any way to support the White Pass until these things have been clarified.

But it must be made clear that the appeal by White Pass was indeed, not to this government, but to the Federal Government and it is primarily, the Federal Government who is looking at the possibilities of various ways of subsidizing the White Pass.

So, with that in mind, Mr. Speaker, I would like to propose an amendment to Motion Number 10, suggesting that in line 4, moved by myself, seconded by the Honourable Member for Hootalinqua, that Motion Number 10 be amended by adding after "Government of Yukon", the words "and the Government of Canada".

Mr. Speaker: Is there any further debate on the amendment?

Hon. Mr. MacKay: Thank you, Mr. Speaker. I would like to rise on the amendment and support that amendment, Mr. Speaker, and perhaps, add a little more light on to the overall situation.

I would suggest, having heard, the speaker to my far left here, his dissertation on the finances of White Pass that perhaps, White Pass would not be the first on my list for the corporate citizenship award of the year.

The fiscal policy that they have pursued, I would suggest, is, certainly, in the latter stages, irresponsible. However, there are other reasons for the decline of White Pass, Mr. Speaker.

The major reason, I think, is the shutdown of the Clinton Creek Mine, which has reduced the southbound traffic to such an extent, where the ocean division and the railway division are going to have great financial difficulty.

On top of that, there has been an economic lull in the Yukon for some years, because no new mines have been opened.

Finally, the latest nail in the coffin of White Pass appears to be the Skagway Road, and the opening of that road to truck traffic would have a severe effect upon the profits of White Pass. It is perhaps, worthy to note that the railway, as its mode of operation can be extremely profitable; however, because of the high overhead entailed in that type of operation, that a high level of volume must be maintained, and as soon as you drop below that level of volume, you rapidly run into the red. It is not a question of gradually sinking until you see your red ink, it is a question of very rapidly going down.

It is also, interesting to note that all these factors, every single one of them, were forecasted by the consultants hired by White Pass or by Federal Industries, to present their case in the Supreme Court of British Columbia. We were fortunate to be able to obtain that information. Perhaps I could add a little bit more to it.

This evaluation report, dated October 29th, 1975, was prepared by a reputable firm of financial experts in Toronto by the name of McLeod, Young and Weir. They were hired by Federal Industries to come up with the corroboration of the valuation of the shares of White Pass that were being offered to the remaining minority shareholders. Their task was to convince the court that, in fact, the Federal Industries' offer was fair.

So, they came to a few conclusions and I would like to maybe, just review a few of them, Mr. Speaker. They said that in the period that they examined the internal forecasts of White Pass, and they said that these internal forecasts for the period 1976-80, forecasted a very nominal growth; however, one could expect that the company would find strong pressures from the B.C. rail extension to Dease Lake and also from the construction of the highway to Skagway from commercial trucking operations, and the closure of the Clinton Creek Mine was also known at that time.

It is also, interesting to note that in 1975, the Mackenzie Valley Pipeline was still the favoured route for the pipeline and; therefore, no consideration was given by this report to any increase in traffic to the White Pass for the period that we can now foresee with respect to the Alaska Highway Pipeline.

They also, noted that one could not consider the book value of the assets or the liquidation value of the assets, because "we understand no liquidation is being considered".

It is also, interesting to note that the book value of the assets could frequently, in my experience, may be less than the fair market value of assets. The book value of assets, at that time, Mr. Speaker, were in the region of \$40 million. The value, broken down to per share, was \$14.50 per share.

The offer which White Pass was making and in fact has succeeded in of purchasing the rest of the shares was at nine dollars a share so they bought it for five dollars a share less than the book value of the assets.

In the full knowledge of all things that have come to pass since then I know why Mr. Richard Hubber-Richard had to seek out a meeting so suddenly last spring.

So, clearly, we have established, I think, that it is no surprise to the manager of White Pass; it is somewhat of a surprise I suspect, to the people of the Yukon that they have been apparently so manipulated.

Another factor which the management consultants did not forecast, Mr. Speaker, was what I consider to be poor management of this company. I hesitate to criticize the individual members of the management of White Pass, it could well be that they could be likened to the officers of the Titanic. They were sent out on a very large ship with a large hornet and it may well be that they had little choice in their actions, due to the fiscal policies that my friend to the left has indicated. Nevertheless, there have been indications to me that poor management was somewhat responsible if only because of the almost complete turnover of senior management in the last six or eight months.

Enough of the past - what of the future? The Task Force Report indicated that there will be loss years ahead for White Pass up until about 1982 but beyond that, the Task Force Report says, the future is bright.

The Company has unique assets, Mr. Speaker. It has a small pipeline, a right-of-way which crosses two national jurisdictions, a provincial and a territorial jurisdiction; it owns an ore terminal which is vital to the economy of the Yukon. It also happens to own the Haines Docks, the only other possible outlet for ore out of this Territory. So it in fact controls the access to the Yukon from the sea, very valuable assets, valuable assets which are on the books at some \$40,000,000 and of which they claim they are unable to borrow even \$5,000,000 from a commercial borrower.

Another element has entered into it though in the last six months. We have only become aware of it in the last six months. In view of the fact that we were unaware of other things, I wonder how long it has been in the works, and that is the proposed oil pipeline which White Pass is now in partnership with, whatever that means, with Foothills. Now as I understand it, a pipeline is quite a large thing, it might be this big, and I am wondering how, physically, they are going to get a pipeline up over the White Pass while the railroad is still in existence which makes me wonder if, in fact, a pipeline might not be a more profitable operation than the railroad and this is really what the whole exercise is about.

The Company is in severe financial trouble. There is no doubt, Mr. Speaker, about that. It is in severe financial trouble. I also managed to review the last available financial statement of Federal Industries which was in the Public Archives along with the White Pass statements and that statement, Mr. Speaker, did not reassure me. It may be fair to say that equally large dividends are being paid by Federal Industries to their grain dealers further down the line. Its working capital position is not particularly healthy, so they do have problems.

Perhaps a change in ownership is the best answer for all concerned.

I think we have to caution the government, Mr. Speaker, of two things. One is, we really have a drowning man here, be careful not to throw him a lead weight, because we may regret not having that railroad a couple of years from now. On the other hand, we urge the government here, to continue the discussions they are having to try to bring together all interested parties, the Federal Government, this Government, Cyrus Anvil, Whitehorse Copper, and White Pass, to try to work out a solution as among themselves, basically between the major users of the railroad and the railroad itself.

We caution the government though, not to become responsible for the White Pass. It would be very easy to be put in a position when you come back from this meeting on Saturday, of not having offered any financial assistance to the White Pass to be pointed at and said, "Yukon Government, you are now to blame for the closure of the railroad." I think it has been proved beyond any shadow of a doubt, that the fiscal policies of the railroad plus the economic situation are the cause of that problem.

We, as Yukoners, must be concerned with the continued existence of this, and indeed, the eventual expansion of this railroad into the mineral rich areas of mid-Yukon, around Faro, that should be the primary objective.

I suggest that what you can do to assist this White Pass & Yukon Route is to do nothing, and promise that you will keep doing nothing and you will not open the Skagway Road year round to commercial traffic. If you can say that, and you can say that there will be no competition from the Skagway Road for a five year period or so, give them a breathing space, allow them to regather their strength, build up their working capital to refurbish their equip-

ment, I am sure the White Pass will be with us another eighty years. Thank you, Mr. Speaker.

Mr. Speaker: Is there any further debate?

Mr. Fleming: Yes, Mr. Speaker, I will not belabour the subject very long because, I think, everything has been said by the Members in front of me.

However, when Mr. Penikett said that they stood on their own two feet, I think that he should have added that they also, stood on our two feet which is the people of the Yukon Territory in everything, whether they made their money or did not make their money.

However, I am a little worried as to the amendment to which we are speaking on now, and the possibility that it might weaken the motion. In this respect, it will say now, that the Yukon Corporation, by the Government of the Yukon and the Government of Canada. Now, are we anticipating that they will be working together if there is anything done at all, and should that word not be the Government of Yukon "or" the Government of Canada, possibly?

I am not so smart, a school teacher or something, somebody that knows the language, but I find, that it seems that we are putting the Government of Canada and the Government of Yukon together, and we are asking both to not do anything together, but if the Government of Canada decided to do something, the motion would sort of—, just through that one word, "and/or".

Mr. Penikett: Briefly, Mr. Speaker, it occurs to me that the Member for Campbell's suggestion may be a good one. Without speaking further, I would like to say, I thank the government for their amendment and say that I will support it.

Hon. Mr. Tracey: Mr. Speaker, I would like to thank the Members from across the House for their support and the information that we got. We certainly, are not going to jump into anything with White Pass or any other organization that is looking for help in the Yukon Territory. We will go to Vancouver with an open mind and we will do the best we can and perhaps, come back with some answers for you people.

(Amendment agreed to)

Mr. Speaker: Is there any further debate on the motion?

(Motion agreed to)

Mr. Clerk: Item number 4, standing in the name of Mr. Byblow, is the Honourable Member prepared to deal with Item 4 at this time?

Mr. Byblow: Thank you, Mr. Speaker, I would ask that the motion stand over.

Mr. Speaker: So ordered.

May I have your further pleasure at this time?

Mrs. McCall: Mr. Speaker, I move seconded by the Member from Mayo, that Mr. Speaker do now leave the chair and the House resolve itself into Committee of the Whole.

Mr. Speaker: It has been moved by the Honourable Member from Klondike, seconded by the Honourable Member from Mayo, that Mr. Speaker do now leave the chair and that the House resolve itself in the Committee of the Whole.

(Motion agreed to)

(Mr. Speaker leaves the Chair)

COMMITTEE OF THE WHOLE

Mr. Chairman: I shall call the Committee of the Whole to Order. At this time I will call a short recess.

(Recess)

Mr. Chairman: I call the Committee of the Whole to order.

We will continue on from where we were last day. I refer you to page 62 of the green book. We had just finished Establishment 2603, on Project Capital.

We will start on Establishment 2612, Community Assistance program, a decrease of \$240,000.

Mr. Fleming: Mr. Chairman, could we have a little explanation, please?

Mr. Chairman: I beg your pardon, Mr. Fleming?

Mr. Fleming: Just a little explanation from the Government side of the House, please.

Mr. Chairman: You would like some information?

Mr. Fleming: Yes.

Mr. Chairman: I shall allow that, Mr. Fleming.

Hon. Mr. Lang: Mr. Chairman, I am just trying to find the infor-

mation that I had with respect to the Community Assistance Program. It is basically under the Community Assistance Program. I think just over \$3,000 was voted last year, and I have a list of the projects that were financed. It was quite lengthy. As you know, in the municipality of Whitehorse, they dictate their own priorities under the cost-sharing arrangement under the legislation. In the outlying communities, the local advisors work with the communities and, subsequently, applications are put forward to the Department of Municipal Affairs, and each one is considered on its own merits, the necessity of it and how it fits in with the priorities of the government.

I am just have a little bit of problem here, Mr. Chairman, with respect to getting too specific. I had that information last evening. I cannot find it. Is that sufficient, Mr. Chairman?

Mr. Fleming: Yes, I think I can accept that. I was wondering just what some of the programs were, but maybe the Minister could inform us a little later or bring in some information as to what some of the programs were, and where they were from, but not right at this moment, no, carry on.

Mr. Byblow: Perhaps this was answered, and I beg your indulgence, but is the \$240,000 in the Capital Assistance Program carried over at all? How does that work?

Hon. Mr. Lang: Yes, Mr. Chairman, it is my understanding that it is. Perhaps I could have clarification from Treasury on the financing of that kind of a transfer, but it is my understanding that it is a carry-over. When we get into the Main Estimates I think we get into that in a little deeper detail.

Hon. Mr. MacKay: Perhaps further to that, this is an on-going program, as I understand it, and so I would like to be able to see what the total amount is, how long the program is schedule to go on for, to what year, and how the funds are divided up as between the City of Whitehorse and the remainder of the Territory.

Hon. Mr. Lang: Mr. Chairman, the Leader of the Opposition was not here when I informed the House that it has been and it will be for this coming year, the practice that, of the \$3.4 million that is available under the Capital Assistance Program, \$1.4 would be available to the City of Whitehorse.

This has been an on-going program and it is one that the Municipality of Whitehorse has utilized every year. Many of the other areas have not, due to certain circumstances of which I am not really aware. But, for an example, the Municipality of Dawson has taken advantage of the program for recreational facilities, a skating rink and a curling rink. But I do not have the detailed information.

Perhaps we could wait until the Main Estimates, looking ahead to where the money is going to be spent, and get into a little deeper detail at that time. I am looking for it. I do not know what I did with it.

(Establishment 2612 agreed to)

Mr. Chairman: Establishment 2613, Mayo Administration Building, an increase of \$57,000.

At this moment, I would like to welcome the two witnesses, Mr. Sherlock and Mr. Wilson.

Hon. Mr. Lang: Mr. Chairman, this was for design plans for the Mayo Administration Building. I want to make it very clear to the House that we feel that the advent of administration buildings throughout the Territory should continue. It is definitely a priority of mine and, hopefully, my colleagues that, not in this upcoming year, but a year from now, we can go ahead with that particular project.

There was trouble at one time with land acquisition and this type of thing, and this is the reason that it has been delayed up until now. So, hopefully, for the Member for Mayo, that we can find the monies to go forward with that program.

I think that we would all agree in this Legislature that, as we evolve in the Territory, it is very necessary to have a main government building in each community, similar to what the Member from Kluane has in Haines Junction, the Member from Watson Lake has in Watson Lake, and I hope the next one will be in Mayo, approximately one year from now.

Hon. Mr. MacKay: Mr. Chairman, I am astounded to hear the Member opposite trying to take credit for the Mayo Administration Building, which has been a favourite subject of conversation in this Assembly for many years, starting with the Member, Mr. Rivett, some years ago, who tried hard and valiantly for many years to get this Administration Building. Because of that illustrious history, I do not think we will get much objection from this side of this House to this building.

Hon. Mr. Lang: Mr. Chairman, I look forward to the day that we

can all vote unanimously for the advent of a Mayo Administration Building.

Mr. Byblow: Mr. Chairman, perhaps the Minister could explain exactly what services will be roofed in the administration building, in this particular one and his impending future ones.

Hon. Mr. Lang: Mr. Chairman, the Member should not be under the impression that we are going ahead this coming year with the actual building of the administration building in Mayo.

The fact is that our capital money is such that it is just going to have to be delayed for a year, and we have no recourse in that matter. All I was trying to point out to the House was that it was a priority.

There are areas, such as library, game, depending on the size of the building, liquor, this kind of thing. The main, essential government services provided in a community.

Mr. Fleming: Mr. Chairman, a comment more than a question, I am very interested in what is going on in Mayo, as in my own constituency, and I hope the philosophy of this Government is slightly different than the last group that was on the Executive Committee, although there is one still there, but if I recall rightly, the building in Mayo would possibly have been built if it had not been for the announcement of the Foothills Pipeline, and I think that some of the moneys that could have been spent in the Mayo area were taken and considered a priority on the Alaska Highway and other areas, and I hope that does not happen again. In other words, I hope Foothills does not in any way take away from some area that just does not happen to be on that pipeline route, because I think that is what did happen in the past, and that this time they go ahead with it, by putting the priorities in the right place.

(Establishment 2613 agreed to)

Mr. Chairman Establishment 2614, Sewage Treatment, Whitehorse, an increase of \$1,003,100.

Hon. Mr. Lang: Mr. Chairman, this is for completion of the Sewage Treatment Plant that has been on-going for the last couple of years. If my memory serves me correctly, I believe the amount came under \$6,000,000, about \$5,800,000 for the sewage treatment plant for the City of Whitehorse. This was in the works approximately four years ago, and with the advent of the Inland Waters Act, the Water Board, you will recall, made various decisions, the direction being given that a sewage treatment plant was necessary in the City of Whitehorse.

I would like to add that the Inland Waters Act, and then the Water Board, makes it very difficult for the Government of the Yukon Territory, because the cost incurred for the environmental requirements, whether it is right or wrong I guess we could debate for days on end, is costing this Government nothing but money. The next project, if it ever gets under way, and I have had some conversations with the Member from Kluane, would be in the Haines Junction area for a sewage lagoon there. As you know, we were having problems, but I think we have resolved the problems we were having with the Parks Canada, but it is not just capital cost that should concern every member in this House, it is the operation and maintenance.

The users are subject to added costs when you go into this type of thing, and it is an area that bears a great deal of scrutiny. Mind you, we are bound by Federal legislation, too. Perhaps the Honourable Leader of the Opposition, when we do get in trouble, could pass the word on to his cohorts if we find an area in which we can mutually agree where maybe there should be changes made.

Hon. Mr. Byblow: I would just ask the Minister if there are any cost-sharing provisions for this type of municipal service.

Hon. Mr. Lang: Mr. Chairman, I will have to take that under advisement, and if we can perhaps, pass this establishment, I will provide it when we get into the Main Estimates on Municipal and Community Affairs.

I am not totally sure, in my mind, just exactly what the cost-sharing was. Perhaps the Treasurer could answer?

Mr. Sherlock: Mr. Chairman, I do not think you could call it a cost-sharing program, on one hand, but on the other you might. This is our 90 per cent share of the total cost of the project. The other 10 per cent is funded through CAP, so it is not really cost-shared.

Hon. Mr. MacKay: I would like to remind the Member opposite that sewage treatment is not a specialized area for me. It appears he is getting some expertise in this area.

I guess, my question on this is that funds are being supplied by the Territorial Government to the City of Whitehorse, and because we are the senior to the City of Whitehorse, do we take any respon-

sibility for the viability of that type of project? I am concerned about us spending \$5 or \$6 million to do half a job, which really, either should not be done in the first place, or should be done much better. Where does our responsibility come into this type of decision to spend this money?

Hon. Mr. Lang: Mr. Chairman, this was worked out very closely, the way I understand, between the city fathers and my predecessor. The responsibility for the contract, I believe, is a year, where the contractor carries full liability for the contract. I do not have any reason to believe that it would be any different on this contract, as opposed to other territorial contracts that have been let.

So, therefore, it is normal procedure that for a year the project has to be working, otherwise the contractor is liable for any problems that are encountered. The City of Whitehorse takes the responsibility on after that year.

Now, perhaps, maybe, Mr. Sherlock has more information on that area. Or perhaps, Mr. Penikett has a little knowledge of that as well.

Mr. Penikett: Thank you, Mr. Chairman. I will be more than happy to answer Mr. Lang's questions as soon as I assume a portfolio on the Executive Committee.

(Establishment 2614 agreed to)

Hon. Mr. Pearson: Mr. Chairman, I have a couple of answers for questions that were asked in Committee yesterday.

For Mr. Penikett, on Establishment 1330, while we were talking about the Information Services, and asked how many news releases this branch handled. During the calendar year 1978, they released 333 press releases. Since January 1st. of this year, there have been 64 press releases issued by the Branch.

He also, asked what would happen if we, during our deliberations of the supplementary estimates, failed to pass one specific appropriation.

About all I can suggest is that we are in a rather unique situation, that hopefully will not happen again, in that we are in a transition period now, from a sort of non-partisan government, if you will, to party politics. In the normal course of events, if an item in supplementary estimates failed to pass the house, the government, in fact, would be defeated. The danger of the Opposition, who may have been the government before, failing to support a supplementary estimate that they in fact incurred, it is anticipated that that would be such a degree of irresponsibility that no one would dare do it. The system seems to work. Supplementary estimates, in most cases, where there has been a change in government, in fact, are supported primarily by the opposition, who were the people that incurred the expenditures in the first place.

This time of course, we are in the unique situation that, in fact, in future years it would be the government's responsibility to ensure that supplementary estimates did pass.

Hon. Mr. Tracey: Mr. Chairman, I too have a couple of answers to some questions. Firstly, on Vote 4, a question was asked, what was the cost of operating the Electrical Public Utilities Board last year. The total cost of operating the Electrical Public Utilities Board, for up to the 13th of March was \$21,100.90.

The other question on this Vote was, Wigby inquiry, what was the total cost. The total cost of that inquiry came to \$92,896.52.

In Establishment 1410, yesterday, I was asked what the CBC Oral History was. The answer is, an agreement with made with Canadian Broadcasting Corporation to second Mr. Cal Waddington for a period of three months last summer to conduct taped interviews with Yukoners having an historical knowledge of the Yukon River. Approximately forty interviews were completed. The tapes are currently duplicated and transcribed, and the original tape will be deposited in the Archives. The information will be used for planning purposes related to the Yukon River Project, and for posterity.

Mr. Penikett: Mr. Chairman, I would be interested, I do not expect the answer at this time, exactly who owns those oral histories?

The Minister may be aware that there is a considerable confusion in the copyright area about exactly this type of material. I would be interested in knowing who has the copyright, who owns those oral histories that we have now obtained and paid for.

Mrs. McCall: It is a public company, so in that the CBC is the people, so it should be the Archives, I imagine.

Mr. Penikett: I do not want to spend much time on this, but I think there is some question, in the case of oral histories, as to whether the person who was recorded them may, in fact, have some residual rights on these things, and that can be confusing.

Hon. Mr. Tracey: I would suspect, probably, that when CBC taped

these that the people were told that they were taped for posterity, and were going to go into the Archives. I do not anticipate any problem, but I will check it out.

Hon. Mr. Pearson: Mr. Chairman, Mr. Penikett asked yesterday, when we were in the supplementary estimates, for the details in respect to a writeoff of \$4,872 on a bill owed by Yukon Electrical. He also asked whether we could explain the government policy on writeoffs.

Mr. Chairman, this charge was one that was incurred a number of years ago in respect to a co-ordinated freight trip to Old Crow. A shipment of freight that was jointly covered off by the Government of Yukon Territory and Yukon Electrical, both shipping at the same time. Yukon Electrical was erroneously charged \$4,872 in that transaction, and this is simply to write off that erroneous charge.

The policy of the Territorial Government is that all attempts possible are made to collect the moneys due. If it is uncollectable, finance recommends to the Territorial Treasurer that the account is uncollectable. If court action is necessary it is forwarded to the Legal Advisor. If court action is not to be taken, the Legal Advisor forwards the information back to finance for further action based on their recommendations, and further action not being possible, it is at that point then written off.

Mr. Chairman: Establishment 2615, Dawson Water and Sewage Treatment, an increase of \$1,000,000.

Hon. Mr. Lang: Mr. Chairman, I think the monetary amount is fairly descriptive. The fact was that they thought they would be proceeding with the Dawson Water and Sewer installation last year, and as events turned out it was not possible, and as you know, we are proceeding early this spring in an attempt to get it completed all in one year.

(Establishment 2615 agreed to)

Mr. Chairman: Establishment 2618, Escarpment Control, a decrease of \$380,200.

Hon. Mr. Lang: Mr. Chairman, you will notice in the main estimates there is a sum for the Escarpment Program, and we are hoping this coming year that it will be completed. It is my understanding that last year, in view of some situations that developed, they could not remove the houses they had intended; so subsequently, we had a decrease in this area. It is my hope that this program will be completed this year.

Mr. Penikett: Mr. Chairman, I thank the Minister for that explanation. I am curious as to whether he can advise what the position of the Territory has been since work began on this Escarpment Removal Program. I recall that there was supposed to be established, a trilateral or tripartate body to somehow, supervise or oversee the process of removing the houses from the escarpment, and buying up the land, et cetera. I wonder if he might advise us whether that body was ever created or, if it was, what happened to it?

Hon. Mr. Lang: Mr. Chairman, I will take that question under advisement, and I am sure that we can get into further debate in the main estimate, because there is a section there that deals with this particular matter.

Mr. Byblow: Mr. Chairman, just for the sake of information, what is the financial arrangement of this Escarpment Program? Is it being totally absorbed by YTG?

Hon. Mr. Lang: Mr. Chairman, the witnesses can correct me if I am wrong, but it is my understanding that it is a sum that was negotiated some years ago with the Government of Canada, in view of the danger that was being encountered along the escarpment here, in downtown Whitehorse. Moneys have been allocated by the Government of Canada to go through with the necessary expropriation of those properties for safety reasons for the people who have built in that area. Is that not correct, Mr. Sherlock?

Mr. Byblow: Mr. Chairman, subsequently, who retains ownership of the land after expropriation? Does the City of Whitehorse or does the Territorial Government or does the Federal Government?

Hon. Mr. Lang: Mr. Chairman, obviously it is going to be the government, I am not to sure which. I would kind of like to think it might be the Territorial Government, but I think it is the City, is it not, Mr. Sherlock?

Mr. Sherlock: I do not know any more than that.

(Establishment 2618 agreed to)

Mr. Chairman: Under Tourism and Economic Development, Establishment 2709, there is no supplementary, so it is for information. We shall go onto Justice. Establishment 2800, Court Reporting, Recorder and Recorder Equipment, an increase of \$4,400.

Hon. Mr. Graham: I believe, Mr. Chairman, that these funds were used to purchase new recording equipment to revise the court reporting system.

(Establishment 2800 agreed to)

Mr. Chairman: Establishment 2810 is for information only. Establishment 2811, Corrections, Locking Mechanism, an increase of \$40,000.

Hon. Mr. Graham: Mr. Chairman, I have some information here, but perhaps we could get Mr. Sherlock to give us some more.

Mr. Sherlock: Mr. Chairman, there was a locking device in place. They were, as I understand, a single kind of device, a device which meant that you had to go from door to door and unlock each one, one at a time. The device that is in place now, and which was on the recommendation of the Fire people and Security people, was such that you could open any block of cells, or perhaps the whole system, through a central control system.

Hon. Mr. Graham: Mr. Chairman, I believe that it was basically a measure to ensure safety for the people in the Correctional Institute because, in the event of a fire and resulting loss of electrical power, there was no possible way, under the old system, that these people could have gotten out.

(Establishment 2811 agreed to)

Mr. Chairman: Establishment 2812, Correction Centre Renovations, an increase of \$37,000.

Mr. Wilson: Mr. Chairman, these funds were expended on a recommendation by the Fire Marshall for a number of items. One was to replace the ceiling tiles with non-flammable material, to put wire glass in windows in storage areas, a fire alarm system renovation, workshop renovations, and automatic shutdown devices, fire dampers, all strictly related to the safety within the correctional institute.

(Establishment 2812 agreed to)

Mr. Chairman: Continuing over on page 63, Vote 20, Highways and Public Works, Establishment 2005, Whitehorse Administration Building, an increase of \$14,300.

Hon. Mr. Lang: Mr. Chairman, I think the explanatory note is fairly accurate. If my memory serves me correctly, I think this pertains to the landscaping that was done by the bridge, and in the area there

Further renovations had to be done to the computer centre to help arrest the Leader of the Opposition's concerns in respect to the financial management on the side of this Government.

Mr. Byblow: I am somewhat confused. The Minister keeps referring to explanatory notes. What is he referring to?

Hon. Mr. Lang: Mr. Chairman, if the Honourable Member will turn to page 68, there is an explanatory note attached to it, as opposed to page 62, where it is just straight itemized.

Hon. Mr. MacKay: I am somewhat unclear as to who owns this building. Can the Minister enlighten me?

Hon. Mr. Lang: Mr. Chairman, it is my understanding that the Government of the Yukon Territory owns this building. Contrary to some of our political spokesmen, throughout the course of the last couple of years, stating to the effect that the Government of Canada has done an extreme favour for the Yukon Territory in respect to providing this building.

It has been customary in all of the provinces, that when it is time to build a capital building, the Government of Canada provides the necessary funding, and if you look back in years gone by, this has happened in every jurisdiction.

So, what I am saying is that to all intents and purposes, Mr. Chairman, we own the building. Is that not correct, Mr. Sherlock.

Mr. Sherlock: That is correct, Mr. Chairman.

(Establishment 2005 agreed to)

Hon. Mr. Pearson: Mr. Chairman, if I may interrupt you for a just one half a moment, please, I find it necessary to absent myself from Committee for the remainder of this sitting day and all day tomorrow.

I think the Minister of Municipal Affairs should take on the onerous duties that befall me, while I am away, and because things are going so well, I anticipate that we will be into the main budget prior to my being back, and I would respectfully, request that Votes 1 and 2 be stood aside until I am back, and would suggest that possibly Committee could get on with their work, starting with Vote 3.

Mr. Chairman: Thank you, Mr. Pearson.

Establishment 2900, Road Equipment, an increase of \$161,000.

Hon. Mr. Lang: Mr. Chairman, the reason for the increase of 161,000 in this area are twofold. Units ordered in May of 1977 were not delivered and paid for, until the year of 1978-79. During 1978, various other government departments ordered vehicles, for which Main Estimate provisions were not made. The Fire Marshall had a damaged vehicle, and subsequently, needed a new one. The Vocational school bus, as a result of another accident, apparently, and also Wildlife had three replacements and four new ones, in view of the fact that Wildlife is taking on a more prominent role on behalf of the government.

Hon. Mr. MacKay: In keeping with the comment of the previous vote, in respect to the Auditor General's recommendation, I think one of them was that we should be provided with details of the equipment to be purchased and, in this case, has been purchased, when we are considering the Estimates. I am wondering if this is going to be considered?

Hon. Mr. Lang: Mr. Chairman, are you asking for a tighter control of the vehicles that are under the auspices of the Government? Is this the direction of the question?

Hon. Mr. MacKay: Mr. Chairman, what I was commenting on was that one of the recommendations of the Auditor General appeared to be that he wanted a listing put in the Main Estimates of the vehicles which would be purchased under this fund, so that the members here would have more details to consider. This would be a fairly significant amount, \$161,000 worth of vehicles, and what he was saying was that we should have had more details, and it is not in the Main Estimates for the coming year, either.

Hon. Mr. Lang: Mr. Chairman, perhaps we could have Mr. Wilson comment in this area.

Mr. Wilson: Mr. Chairman, in the 1978-79 appendix to the Estimates, the details were given for the \$99,000. We will also be giving details when the road equipment estimate is brought up in the 1979-80 debate.

Mr. Byblow: For information, perhaps, on further questioning in the Main Estimates, to what extent is Department of Highways equipment used in the maintenance of territorial airports?

Hon. Mr. Lang: Mr. Chairman, there are different classifications of airports, and we maintain, I believe it is, D and C class airports. Then, this is done on a recovery basis with MOT, the work that we do.

Is that not correct, Mr. Sherlock?

Mr. Sherlock: Yes, Mr. Chairman, that is correct.

(Establishment 2900 agreed to)

Mr. Chairman: Establishment 2902, Sundry Equipment, an increase of \$28,000.

Hon. Mr. Lang: Mr. Chairman, this is a very enlightening establishment. Four four-inch pumps were ordered in February, 1978, one month before the end of the financial year, and delivery was not made until April 17th, 1978, and that is the reason for the overrun.

Hon. Mr. MacKay: At what point does the government recognize a liability for purchases?

Mr. Sherlock: Mr. Chairman, under the Financial Administration Ordinance, we are required to accrue the cost of revenue for the year on the basis of receipt and delivery of goods and services in that year. So, if they were not, in fact, received in the year they were not, in fact, accrued.

(Establishment 2902 agreed to)

Mr. Chairman: Establishment 2903, Garage Tools and Equipment, an increase of \$3,500.

Hon. Mr. Lang: Mr. Chairman, in view of the commitment that the Government has to the outlying communities, the reason for the over-run was that a portable steamer repair tools were urgently required, and had to be purchased right at that time, in order that our highways and byways could provide the services necessary for the public.

(Establishment 2903 agreed to)

Mr. Chairman: Establishment 2904, VHF Systems, an increase of \$1,300

Hon. Mr. Lang: Mr. Chairman, perhaps the witness can give us some information on that. I gather it is a new radio.

Mr. Sherlock: Mr. Chairman, the only thing we have is that this was an additional requirement for a VHF. I do not have any indication of what, specifically, it is for.

Hon. Mr. MacKay: Yes, Mr. Chairman, this VHF seems to pop up every time we turn around. I think there is a surveillance system throughout the Yukon. Mr. Lang can know what is happening in

any constituency. What I would like to know though, on a more serious note, for the Mains perhaps, it seems like one of these things, that there was spending all over. Could we get a clear cost for the total operation of this system, and a brief explanation of how useful it is in terms of operating the Government's Departments?

Hon. Mr. Lang: I would just like to make a few comments in respect to the VHF System. I think the Member has hit on a key point. It seems to me that VHF always appears somewhere, so maybe we are all being watched, not just you, Iain. At any rate, Mr. Chairman, the VHF is not totally with this Government. Other Federal Departments are involved, as well, so if they have a radio in their vehicle it is a chargeback to this Government. In other words, we charge them and we recover the money, so it goes throughout the Government. I understand it works very well. It is a method of communication for the Government, especially in the outlying communities, and did really meet a need that was seen here, a number of years ago. The cost of the system was in the area, I believe, over a two-year program, \$1.2 million, was it not, Mr. Sherlock?

Mr. Sherlock: Mr. Chairman, we will have the answer for the Mains. I do not have it off the top of my head.

Hon. Mr. Penikett: Mr. Chairman, my ears prick up at hearing \$1.2 million. Perhaps, the Minister can tell us who is giving us the VHF, who the suppliers are, how the equipment is purchased, and if there is a service attendant with this system, and how it is contracted and supplied, and for what period, when we are dealing with the Mains?

Hon. Mr. Lang: Mr. Chairman, I will have to get that information. The figure I gave you, I am just going on memory now, I recall we voted a couple of times large sums of money for this effort.

(Establishment 2904 agreed to)

Mr. Chairman: Establishment 2908, Highway Maintenance Camp Fraser, B.C., an increase of \$151,000

Hon. Mr. Lang: Mr. Chairman, this has to do with the Fraser Camp on the Carcross-Skagway Road, which is a camp that provides for the Customs as well as a maintenance crew from the Y.T.G., and basically, the contract was let in 1977, and the contractor was unable to make progress as forecast in that year, and consequently, in 1977 appropriation was underspent, and the balance had to be carried over to this year. The total sum for the project, for the information of the Members, was \$1,530,804.

Hon. Mr. Penikett: Mr. Chairman, why are we required to maintain a camp in British Columbia?

Hon. Mr. Lang: Mr. Chairman, I am not too sure if that is in British Columbia or not. Perhaps Mr. Sherlock could give some information on that.

Mr. Sherlock: Mr. Chairman, this was a joint agreement between British Columbia and Yukon, and Canada, in fact, to have the camp placed in that particular place, because we assume responsibility by this joint agreement to maintain the road. So they chose a spot where it would be most convenient to locate it, and Fraser was the place.

Mr. Fleming: In fact, it is in British Columbia?

Mr. Sherlock: Mr. Chairman, it is in British Columbia and, in fact, is the old Fraser Site. There is a railway place there, it is an old establishment of the Yukon of 1898.

Hon. Mr. Lang: Mr. Chairman, I think it is an indication that the government at one time, our government, had extra-territorial aspirations.

Hon. Mr. MacKay: With the decease of the late W.A.C. Bennett, that we can do reverse take-over bit. My question relates to this camp. It seems like \$1,500,000 is a lot for a way maintenance camp. How large a facility is it, is it equipped to handle year-round maintenance, what kind of facilities does it have?

Mr. Sherlock: Mr. Chairman, perhaps I can just say a little bit about it. I visited it once. It has, of course, its own power facilities, it has its own central maintenance garage facilities, so they can repair equipment as well as store equipment for maintaining the road. It has a central sleeping and eating facility. It has some accommodation for married people; it has a crossroads area for the Customs people. It is not intended at this time, I believe Mr. Lang will speak to it, to keep the road open in the winter time, but I think the facilities could probably be used in that way.

Mr. Fleming: Yes, Mr. Chairman, just an interesting thought, and when Mr. MacKay made the address I did not understand it. What I am thinking about, in our tax situation in the Yukon Territory, now, of course, we do not have provincial tax, but if this becomes a province and we do have a provincial tax, I wonder if we did not sell a few more dollars down the river, because of the fact that it is in British Columbia. There will be a large workforce there, there will

be a big payroll there, and there will be taxes that will be filed on that side of the line and will go to the federal government in British Columbia.

Hon. Mr. Lang: Mr. Chairman, I will have to take the questions of the members under advisement in that area. I think it should be pointed out that it was clearly delineated in the budget speech, that it is not the intention of this government to maintain the Skagway-Carcross road on a year-round basis.

Mr. Penikett: Mr. Chairman, while the Minister is taking his advisement on that other question, I was just curious, and it may be a minor point, if this camp is showing the Yukon colours, and perhaps, flying the Yukon flag, and if it is showing all the manifestations of a foreign embassy as we would ultimately expect?

Hon. Mr. MacKay: Yes, I guess it is a kind of esoteric point to pursue, but there is another place in Yukon, or not in B.C., which has the same problem, on the road to Watson Lake, where it dips in below to B.C., and the people there are treated as Yukon taxpayers by the federal government.

(Establishment 2908 agreed to)

Mr. Chairman: Establishment 2909 and 2910 are for information only. We will continue on to Establishment 2911, Recreational Roads, a decrease of \$6,000.

Hon. Mr. Lang: Mr. Chairman, \$15,000 was voted for recreational roads. Some work was done on the upper Bonanza Road over the course of the year, and there were no other requests for new recreational roads and; subsequently, there was a saving of \$6,000.

Hon. Mr. MacKay: Yes, could I have a statement from the Minister on the policy of recreational roads. We are selling, through the agency of the federal government, I guess, we are leasing many lots in various parts of the Yukon, to which roads have been put in, and particularly, in winter-time no maintenance seems to occur on these roads, thus making access difficult, yet, some roads appear to be cleared.

I am wondering, is there a policy here? Is it on a request basis that they will do it?

Hon. Mr. Lang: Mr. Chairman, there is a schedule under the, I believe, the Highways Ordinance, under the regulations, delineating into categories, the roads where the government is committed to year-round maintenance, summer maintenance and also third-party maintenance.

The Member from Hootalinqua is very concerned in this area. He has made approaches to me. I am reviewing the policy to see whether or not we can perhaps, update it. Of course, it all depends on finances, but road maintenance is the responsibility of the Government of the Yukon Territory.

As you know, with the advent of the transfer of Department of Public Works Federal to the Government of Yukon, finalized in 1972, there is a policy. I believe it is under the Highways Ordinance, you will see that there is a schedule of roads that we maintain on a year round basis.

Mr. Fleming: Yes, Mr. Chairman, then I take it from the Minister's remarks that we know that the Territorial roads are to be maintained, but the cottage sites, and I will give you one specific cottage site that has been put in by the Federal Government, which they have called the Teslin Cottage Lots or something like this.

I take it from the Minister that there is some policy around, that they might maintain that road to those sites?

Hon. Mr. Lang: Mr. Chairman, all I am saying is that I am reviewing the whole area. As I say, the Member from Hootalinqua is very concerned about that area. It is a real bone of contention with the people that he represents. Whether or not we can make changes remains to be seen.

So, I am not making any commitments. I am just saying that I am looking at the overall policy and evaluating it, and seeing what the financial situation would be if we were to make any changes of any kind at this time.

Mr. Fleming: Mr. Chairman, just a comment, and I think that maybe, the government should take a good look. If the Federal Government is prepared to do this kind of thing, even against the wishes sometimes, of the people, which they have done in some cases, that this government should stand up and say, you had better take the responsibility for that road, too, possibly.

(Establishment 2911 agreed to)

Mr. Chairman: Establishment 2915, Sewer Installation Quartz Road, an increase of \$9,000.

Hon. Mr. Lang: Mr. Chairman, the reason for the amount requested was that the contractor did not complete the work in 1977 and; therefore, arrangements had to be made to complete the job

in 1978. It refers back to the Leader of the Opposition's questions earlier, in respect to water and sewer projects and our ability to get them completed.

Hon. Mr. MacKay: Was this contract carried out by the City of Whitehorse, Mr. Chairman?

Hon. Mr. Lang: Mr. Chairman, I really do not know who the contract was carried out by.

(Establishment 2915 agreed to)

Mr. Chairman: Establishment 2916, Gravel Overlay Faro Airport, an increase of \$117,000.

Hon. Mr. Lang: Mr. Chairman, if you go through, it goes 2916, 2917, 2918. This all has to do with Canada Transport and the funds were not available to us until mid-1978, which made it impossible for us to make provisions in the 1978-79 Mains.

As you can see, we spoke very briefly this morning about the 10th anniversary of Faro. I think this, once again, is evident of our commitment to the Faro municipality.

(Establishment 2916 agreed to)

Mr. Chairman: Establishment 2917, Gravel Overlay Beaver Creek Airport, an increase of \$71,000.

(Establishment 2917 agreed to)

Mr. Chairman: Establishment 2918, Passenger Shelter Old Crow, \$211,000.

Mr. Byblow: Just a general question with respect to the three items just presented.

The arrangement you had with the Arctic D and C Airports Program is essentially, for operation and maintenance or do you have a greater jurisdictional control over that?

Hon. Mr. Lang: No, Mr. Chairman, it is just strictly operation and maintenance.

Hon. Mr. MacKay: I am concerned, Mr. Chairman, with respect to the Passenger Shelter in Old Crow and I am wondering if, under the basis of the usual pay provisions, whether the Member from Old Crow can really afford this.

Hon. Mr. Lang: Well, Mr. Chairman, I think this goes for the other two communities as well. It goes along with the national commitment that has been and should continue to be committed to the air traffic.

Hon. Mr. MacKay: Mr. Chairman, just on this point, if I may? It is interesting to note that we are building such a facility in Old Crow, particularly, when we look up the hill at our own airport.

I am wondering if, in an effort to speed up what apparently, is now a stalled project to improve the facilities there, if funding is available through here, from MOT to do things in Old Crow, why the Territorial Government cannot take a step into the situation up the hill on the same program?

Hon. Mr. Lang: Mr. Chairman, I will have to take the comments under advisement. It should be pointed out that Whitehorse, in some cases, is a little better off than some other communities if you compare the passenger shelter up the hill as compared to the one in Beaver Creek. There is no comparison when it is snowing.

So, basically, Mr. Chairman, the point I am trying to get to is in the advent of this year, it is hopeful that we can carry on with putting in passenger shelters in such areas as Beaver Creek. It will not be reflected in the Mains because, as was stated earlier, we do not finish the negotiations with MOT until later in the year, and then it will show up as a supplementary.

Mr. Byblow: Just another general question then, in trying to sort out this relationship you have with MOT.

Where does the directive come for the funding that you know is available for O&M?

Hon. Mr. Lang: Mr. Chairman, it is recovered through the normal financial arrangements with the Government of Canada. Is that not correct, Mr. Sherlock.

Mr. Sherlock: Mr. Chairman, the funding for these projects, as pointed out by Mr. Lang, came in through the year after certain negotiations between MOT and the Government of Yukon. The Government of Yukon decided to take on the maintenance operations of the D and C airports, or agreed to take on, under certain conditions. Those conditions were laid down, and this agreement was signed between the two parties, and the funding came along with the agreement, on a recoverable basis.

I do not know if I can answer it any other way.

Mr. Byblow: Perhaps I could ask the witness, then it is an apparent unknown what funding is available to the upgrading of these various airports right now?

Mr. Sherlock: Mr. Chairman, I think I get his point, now. What you are really getting at is that the funding is available somewhere. Obviously, this funding must have been in MOT's budget. They must have known about it because it simply came to us after the agreement was signed. They agreed to fund it on a recoverable basis to us and then we had to put it, of course, in our Main Estimates because a recovery means an expenditure first, recovery after. So we had to put it through our supplementaries in order to make the expenditure.

Hon. Mr. Lang: Mr. Chairman, I am hopeful that after this 1979-80 year, the budgets can reflect truly, exactly what is going to be spent.

Unfortunately, it is my understanding that it is not included in the Main Estimates for this coming year, but that negotiations are ongoing and I will be able to give a certain projection of exactly what we envisage happening.

(Establishment 2918 agreed to)

Mr. Chairman: Establishment 2919, Tagish Bridge, a decrease of \$995,000.

Hon. Mr. Lang: Mr. Chairman, you will note in the Main Estimates that we are going ahead with the Tagish Bridge. The reduction is possible because the contract was not awarded until late 1978. Therefore, there were no expenditures in that area.

Mr. Penkett: Mr. Chairman, I would like to give notice of a question for the Minister when we are dealing with that subject in the Mains.

He may be aware of a number of complaints in connection with that project, which may or may not have hit the press yet, and they concern the inability of certain local residents to obtain work on that job.

Mr. Falle: Pertaining to the Tagish River Bridge, the government is looking into trying to get the company to hire locally and there is no question that they had to put the bridge in there or swim, one or the other. The other one is falling down.

Mr. Fleming: Mr. Chairman, I wonder if the Minister could give us the completion date of it, just off hand? Could you give us the completion date of the bridge?

Hon. Mr. Lang: Mr. Chairman, I think that the completion date is due for October of this year. Perhaps, Treasury can correct me if I am wrong on that.

It would be October of this year. We are hopeful that things are proceeding and are apparently, well in hand.

(Establishment 2919 agreed to)

Mr. Chairman: Establishment 2920, Fence Ross River Airport, \$11,000.

Hon. Mr. Lang: Mr. Chairman, Canada Transport, once again, did not make funds available until mid-summer of 1978 and; therefore, provisions for the monies have been put into the 1978-79 supplementaries.

(Establishment 2920 agreed to)

Mr. Chairman: Establishment 2921, Seaplane Docks, Mayo, an increase of \$9,000.

Hon. Mr. Lang: Mr. Chairman, I just drew that to the attention of the Member from Mayo.

Mr. Hanson: Mr. Chairman, that is just for putting the docks in the water and pulling them out, twice a year, in the spring and fall.

Mr. Fleming: I would just comment that they have down here, for construction of seaplane docks. Was there some new construction also?

Mr. Hanson: Not to my knowledge.

(Establishment 2921 agreed to)

MMr. Chairman: Establishment 2145 and Establishment 2146 are for information only, as are 2150, 2151 and 2152.

We shall continue on to Establishment 2153, Ambulance Equipment, an increase of \$100.

(Establishment 2153 agreed to)

Mr. Chairman: Yukon Housing Corporation, Establishment 2181, Staff Housing, an increase of \$54,800.

Hon. Mr. Lang: Mr. Chairman, that is basically for renovations of the older units and the staff housing complement to upgrade them for conservation purposes, et cetera. There was a necessity for purchasing a mobile unit over the course of the last year.

Hon. Mr. MacKay: Perhaps, I could have a clarification of what the policy is with respect to the difference between the renovation and repair, and maintenance.

Hon. Mr. Lang: Mr. Chairman, each one complements the other, when they move in to upgrade a particular staff house, I guess.

Mr. Chairman, I will have for the leader of the Opposition a photostat answer tomorrow.

Basically, what happens is that they go into an older staff house and they renovate, and if there are other areas that need to be repaired at the same time, they do that, as well. But basically, it is for conservation purposes as well as upgrading the units.

Otherwise, Mr. Chairman, if we continue to let it go, we are going to wind up having to build brand new units, and I am sure the leader of the Opposition would not want to see that happen.

Hon. Mr. MacKay: I was not suggesting that the Yukon Housing Authority should not repair its houses. What I was trying to find out was a piece of information: does the Yukon Housing Corporation have a policy whereby they will capitalize certain items as renovations and other items as repairs?

Mr. Fleming: Mr. Chairman, maybe we are not over-run, it is just a matter of too many politicians.

Hon. Mr. Penkett: Mr. Chairman, on the purely mundane matter, that of the working conditions of the ordinary MLAs of this House, I would like to venture an inquiry that at some point in the foreseeable future, MLAs in this House might be provided with sound-proof partitions or at least partitions onto which you can attach a piece of paper without its falling off.

Hon. Mr. MacKay: I would like to assure the Member that I do not listen to his conversations and would not. Mr. Chairman, I was just going to reply to the Minister because it is funny that we should talk about a \$9,000 item when we are really talking about awfully lot bigger things.

I may not not fully understand the process by which this Government obtains capital funds, Mr. Chairman, but in the event that there is a percentage of increase allowed which appears to be the case, and the Government was faced with the possibility of having to obtain new space for employees as time went by, it would appear to me that, if there is a situation where the private sector can provide the capital funds to the extent that it would not dip into the capital funds that are available for other projects, such as schools, for example, like in Porter Creek which is needed not to mention, Riverdale -- but that kind of policy could be looked at with favour by the Government to concentrate in building capital things which only the Government can provide, and where other sectors of the economy can provide the other facilities that they should be encouraged to do so.

Hon. Mr. Lang: Mr. Chairman, we are discussing a policy area, and I think it does relate indirectly to the item we are talking about. Do I take it from the Leader of the Opposition that if the Government were to adopt a policy of leasing for long-term from the private sector that he would be prepared to support it?

Hon. Mr. MacKay: Assuming that they were leasing at reasonable rates, I would be prepared to support it. I think we can only look at our sister City, Yellowknife and see that their Government there has gone almost entirely to renting from private sector, and I think it is not a bad example to follow, and I would support it in principle providing that all other things being equal.

Hon. Mr. Lang: I thank the Honourable Member for giving a commitment in principle to this thing because these are major policy issues. As far as the allegation of the Honourable Member of Whitehorse West to the Leader of the Opposition of one or the other eavesdropping, I do not know anything about that and I cannot comment, but I do not think we would want to think that the Members of the Legislature would be treated any differently than employees of the Government, and the building is designed for open space; that was the original intention of the architectural plan and; therefore, I cannot see in the foreseeable future that we would be changing the accommodations that we have right now.

Mr. Falle: As far as partitions go downstairs in our office, I can speak for the back-benchers here anyway, we sure do not like them; we can hear everything that goes on in your offices and likewise, you can in ours and we cannot help it. That is just the way it is and personally, I am not very satisfied with it at all.

(Establishment 2922 agreed to)

Mr. Chairman: Establishment 2923, Mayo Airport, Crushing and Stock-piling, an Increase of \$37,000

Hon. Mr. Lang: Mr. Chairman, that is once again funds being made available after the Estimates were voted. I just draw it to the attention of the Member from Mayo.

(Establishment 2923 agreed to)

Mr. Chairman: Establishment 2940, Pre-engineering and Federal

Projects is for information only. We shall continue on to Establishment 2941, Miscellaneous and Minor Projects, a decrease of \$44,500.

Hon. Mr. MacKay: Mr. Chairman, did you not miss Establishment 2941?

Mr. Chairman: Establishment 2941 is the one we are now doing, Mr. MacKay.

Hon. Mr. Lang: In Establishment 2941, last year there was \$50,000 spent or estimated. As it turns out, it was not necessary. In this area there is a contingency item for unforeseen projects coming up and in 1978 it was unnecessary to undertake work other than a small expenditure in the area of \$5,500 and that is the reason for the decrease.

Establishment 2941 agreed to)

Mr. Chairman: Going on to Establishment 2956, Klondike Highway Paving - Milepost 94 to 104, an increase of \$28,000

Hon. Mr. Lang: Mr. Chairman, it was estimated last year, \$845,000 for the paving of Milepost 94 to 104--I am not sure if that is kilometres or mileposts--and the paving work began in 1977 and was not completed for the balance of that year; therefore, an additional \$28,000 was required in 1978 to finish the work that had started in the previous year.

Hon. Mr. MacKay: Yes, Mr. Chairman, I would just like to get into that a little more.

The Engineering Services Agreement I take is an agreement with the Federal Government whereby, we recover funds for paving. Could I get a little more detail of what kind of ongoing financial arrangements there are under this agreement? Like, how many miles a year can we look forward to getting paved, if the agreement continues?

Also, in view of the fact that the maintenance of our paved roads is less than a gravel road, whether the Territorial Government itself should be looking at providing more funds for paving as an economy measure?

Hon. Mr. Lang: Mr. Chairman, I think that that is fairly evident in the reply that I gave this morning to the Honourable Member from Faro, in the experimental stages that the government is going through with various types of surfacing as opposed to calcium chloride. So there is concern from the government standpoint in this area as far as the maintenance is concerned, that is the reason that we are doing that on the Campbell Highway, to see how different types of road surface keeps up.

Regarding your comments about the Engineering Services Agreement, this is coming to an end here, in approximately one year, I believe. Basically, what will occur is that the negotiations for finances from the Government of Canada for the operation and maintenance, and the capital side, I believe, will come under our normal financial agreements and negotiations as opposed to having a separate agreement. Is that not correct, Mr. Sherlock?

Mr. Wilson: I might add that, while the Engineering Services Agreement is expected to expire, the fact that it will, does not mean that we will not be receiving additional funds at times when funds may be available from Indian Affairs. In other words, we used to have an agreement whereby, we did maintenance and certain construction projects under that particular agreement. The Federal Government Department of Indian Affairs indicated that they would pull out of the agreement, give us additional operation and maintenance funds and capital funds, so that we could do that within our own budget. However, they have left open the option that they may supply additional funds under some other agreement that would be somewhat, like the Engineering Services, but this would be on an exception basis.

Hon. Mr. MacKay: I do not want to put the Minister's department to any great amount of trouble on this, but I would appreciate if, on the Mains we had some idea of the cost per mile on the maintenance of the Campbell Highway, if that is available, and the cost per mile on the paving, if that is available, too.

Hon. Mr. Lang: Mr. Chairman, if I get the cost of paving I guess we could break that out, I think. If you recall, during second reading of some of the bills, I pointed out that the cost of maintenance of one mile of highway in the Yukon on the average, in the last three years, has gone from roughly \$8,000 to almost \$9,000, and with the advent of the Dempster Highway it will probably increase to around \$10,000 per mile for year around maintenance.

Hon. Mr. Lang: When I get the cost, it will give you an indication of the costs and how it is steadily increasing.

Mr. Byblow: I would like to give notice of a similar type of request for information respecting that experimental program. I think there is some significance of lesser amounts involved.

Hon. Mr. Lang: I would like that clarified.

Mr. Byblow: I was just suggesting that there is considerably less cost involved with this other program.

Hon. Mr. Lang: Mr. Chairman, I do not think that I can offer any more than I offered this morning. As I explained in the response to the question, it is a further two years, experimenting with other types of surfacing material. At that time I can bring forward to the House, if they wish, the information to explain just exactly which surfacing proved to be the best in view of the experiment taking place.

I do not think there would be much advantage to having my Department go through all that work now, and then having to do it again two years from now in view of the fact that they are experimenting with other surfacing.

Would the Honourable Member agree that we can wait for a year or so then I will bring in the necessary information.

(Establishment 2956 agreed to)

Mr. Chairman: Establishment 2957 Klondike Highway paving Mile Post 20 to 35, an increase of \$80,900.

Hon. Mr. Lang: Mr. Chairman, the reason for the increase in this area was they encountered an change in soil that they had not anticipated when the project was tendered and subsequently, there was a need for the increase of \$80,900. The total cost of that was \$1,800,000.

Establishment 2957 agreed to)

Mr. Chairman: Establishment 2958, Sidewalk Construction Yukon River Bridge, a decrease of \$100,000.

Hon. Mr. Lang: Mr. Chairman, if you take a look at 2958, 2959, as well as 2960, you will note that there are all decreases in that area and it should be noted it was a reflection of the fact that the Government of Canada was, at that time, in the process of cutting back funds, not just to this Government, but nationally as we all know, and; therefore, funds were not forthcoming, and subsequently, the projects were not undertaken.

Mr. Fleming: Mr. Chairman, the Yukon River Bridge project, just where is this project.

Hon. Mr. Lang: I am not too sure where the project was, but it has not been undertaken because there were no funds. Perhaps Mr. Wilson could answer.

Mr. Wilson: Mr. Chairman, the intended project was for the bridge at Carmacks. It will show up on the Main Estimates, 1979-80.

(Establishment 2958 agreed to.)

Mr. Chairman: Establishment 2959, Dempster Highway Erosion Control, a decrease of \$400,000

Hon. Mr. MacKay: Yes, I see that it has not been done and I am looking ahead and seeing that it is not going to be done next year. How important is this project if it does not have to be done, or is it just a question of allocation of funds?

Hon. Mr. Lang: Mr. Chairman, it is important, but is a case of allocation of funds, and if finances are not available you just cannot proceed. If my memory serves me correctly, I believe the year before, there was a certain amount of work done on the erosion control, which was strictly rip-rap, I believe, so some work was done, and it is just a case of financing as to when we can do these projects. If it was not done that year, and not the forthcoming year, it is going to have to be done the year after. It is a case of priorities and trying to delineate between the various roads which is the most necessary to repair.

Mr. Falle: Yes, I think that Mr. MacKay just asked the same question and he did not get an answer. On this Dempster Highway, on the rip-rap, what happens when it sort of disappears on us this spring?

Hon. Mr. Lang: Well, Mr. Chairman, I guess we will have to go out and have a look at it. There is some concern on the Dempster Highway.

I think, as the Member from Hootalinqua has outlined, he has had the opportunity of being in that area earlier this winter and I have not, but we are very concerned that there is going to be a fast spring thaw and it could have some devastating effects to some portions of the road.

So, my department officials have their fingers crossed, hoping that it will not be a real two or three day thaw, that it will be over the course of a couple of weeks, and they feel things should be okay, but they are watching very closely.

Mr. Byblow: I am curious as to what the original financial structure was with respect to building that road. Who paid?

Hon. Mr. Lang: The Government of Canada, Mr. Chairman. I do not have exact figures. I think that you are in the ball game of around \$50 million. Perhaps, Mr. Sherlock could help us.

Mr. Sherlock: Mr. Chairman, I think \$50 million is probably a good figure. I do not know.

Hon. Mr. Lang: I will get a firm figure on that, Mr. Chairman.

Mr. Byblow: Just to carry on from that, if the project is funded by the Federal Government, would it not follow that these contracts should be their responsibility as well?

Hon. Mr. Lang: Mr. Chairman, it is a case of transfer of funds between the Government of Canada to the Government of the Yukon Territory. Obviously, we did not have the money and the Federal Government did not have and; subsequently, the work was not.

Yes, I do believe the Government of Canada has a commitment in this area. I could not agree more, but it is a case of money and whether or not it is available.

(Establishment 2959 agreed to)

Mr. Chairman: Establishment 2960, Dempster Highway Culvert Installation, a decrease of \$400,000.

(Establishment 2960 agreed to)

Mr. Chairman: Establishment 2961, Carcross Skagway Road Reconstruction, a decrease of \$339,000.

Hon. Mr. Lang: Mr. Chairman, this was primarily because of the lack of funding from the Government of Canada. The estimate was \$1,500,000, and the contract work had to be reduced to fit the funding. Is that not correct, Mr. Sherlock?

Hon. Mr. MacKay: Perhaps, we could get some indication of what work was left undone and how seriously it will hamper the moving traffic moving on the road?

Hon. Mr. Lang: Mr. Chairman, there should be no problem for people to use this road once it is open in the spring. It is a case of just, constantly upgrading. I was up to Fraser this last fall and the road, I thought, was quite good. It is now from Carcross to Venus and I was hoping in the Mains that there may be money available later on this year to continue to upgrade that, depending upon our financial negotiations once again.

(Establishment 2961 agreed to)

Mr. Chairman: At this time, if we have finished the project capital can the witnesses appear back here at 7:30 this evening?

One witness, Mr. Wilson.

Fine, thank you very much.

At this time I will recess until 7:30 this evening.

(Recess)

The following Sessional Papers were tabled:

79-2-14

Yukon River Project, Work Supervisor Report, June 1978 to October 1978.

79-2-15

Yukon River User Survey, Parks and Historic Resources Summer 1978.