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Speaker: The Honourable Donald Taylor

Whitehorse, Yukon

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Mr. Chairman: I shall call the Committee of the Whole to order. We have with us as witness, Mr. Wilson.

We will continue where we left off this afternoon. The next Vote is Vote 12, Finance.

Hon. Mr. Pearson: Mr. Chairman, the Finance Department provides financial services to all departments and promotes sound financial management through the exercise of its function as comptroller.

It is responsible for payment of expenditures of the Government of Yukon, taxation and revenue collection, management of funds and investments and the performance of the statutory duties imposed by the Financial Administration Ordinance and other ordinances.

The division is also responsible for the preparation of the Territorial Accounts and other periodic reports to support the financial management of the government.

For the 1979-80 year, the division's emphasis will continue to be on the refinement of accounting processes, development of improved documentation and improvement of the financial reporting system.

Mr. Chairman: At this time, on Establishment 1200, \$1,158,100, I will anticipate general discussion.

Hon. Mr. MacKay: Well I had a speech written on this, Mr. Chairman, which I think is in the record, about a week ago, with respect to the Auditor General's criticisms of the manner in which the Government of this Territory had been running its Finance Department. I do not think it is worth reiterating, at this stage again, these comments, except to say that in the course of the last week of so I have been receiving some information, which leads me to believe that there have been improvements in the situation, in the budget for this year.

I think, I stated at one point, that there had been a decrease in man years of two, which, looking at the budget, it is certainly obvious that there is a decrease of two from the projected to the actual. I am assured by the Government Leader that, in fact, there has been a net increase of six, I think, over the last couple of years, once you remove all the ins and outs.

I am hopeful, as a result of that, that the process of implementation of the Auditor General's recommendations will, indeed, be speeded up and that the report that we receive next year about this time will be halfway the same, instead of three out of twenty-nine recommendations being implemented, there will only be three out of twenty-nine not implemented or some such number.

I think that really, as I stated before, what is required is an effort on the part of the political arm of government to recognize the importance of finance as an arm of government by which they can control expenditures, and not only control expenditures, but understand what is happening within their governments.

A properly run Finance Department will be able to provide that. It should save costs in the process, not only in its own operations, but if you will notice every time we come to a department, there is at least one, sometimes several accounting clerks in each of these departments and perhaps, some of the duplication mentioned by the Auditor General in his reports can be reduced, and hopefully, eliminated entirely.

There is a number of other areas that we will be looking into. The electrical rate equalization comes under this budget. I see that that well is running dry and I am hoping the government has some suggestion as how to maintain some kind of equalization between Whitehorse and the outlying areas. Also, the Home Owners Grant, an area of some concern and I am hopeful that the Government is trying some ways of allowing the people in outlying areas to benefit from that, more than they have already.

It is a bit of a rich get richer, the poor get poorer scheme the way

it operates right now, and I think, that with some adjustments it could be greatly improved.

Hon. Mr. Lang: Mr. Chairman, I would like to ask a direct question to the Leader of the Opposition, and I hope I get a direct reply.

Does the Leader of the Opposition agree with every recommendation made by the Auditor General?

Hon. Mr. MacKay: I found in reading it that there is really nothing I disagreed with. I think that the general thrust of it is excellent and I really have no difficulty accepting all these recommendations. Accountants in fact do rule the world, now, Mr. Chairman. It is up to the lesser people to understand that.

Hon. Mr. Lang: Further to that, I have another question to the Leader of the Opposition. In his opening remarks he talked about the Home Owner Grant. He said various adjustments, I would just like to hear him expand on that.

Hon. Mr. MacKay: I am not sure if this is quite in order for me to be giving advice to the Government. There is one area I would like to suggest and I think, I have mentioned it before, if you are going to provide additional services to outlying areas such as the clearing of snow from roads, and if these charges were made directly to the property owners on that road, it would probably go on the form of frontage tax, which, Mr. Chairman, would not qualify them for Home Owners' Grant. It is only the straight property taxes that qualify for Home Owners' Grant, so if frontage taxes were permitted to be part of the rebate scheme, then the people who are receiving these extra services who might be charged frontage tax could benefit from the Home Owners' Grant more than they presently do.

I will be happy to give the Minister any other advice he cares to ask for.

Mr. Chairman: If there are no further questions on Vote 12, we will do the specific Establishments. Establishment 1200 Treasury \$1,158,100.

Hon. Mr. MacKay: I think, it would be an appropriate time for me to ask the Government Leader to explain to me again, for the record, because I questioned him publicly in the record, how the six man years appear in the budget, the increase in six that he mentioned?

Hon. Mr. Pearson: We have Mr. Wilson here, who works intimately with this Department and I would suggest that answers coming from him on the specific questions like this would be quite in order at this time.

Mr. Wilson: Mr. Chairman, four new man years were created, an Assistant Treasurer, a Financial Planning and Special Projects Officer, a clerk typist for the Assistant Treasurer, and a Financial Systems Development Manager. In addition to that, there are new man years for the current year, a Revenue and Taxation Accountant was formed and also a budget analyst. As a result of some transfers between this Department and others, there were two positions transferred out, one to government services and the other to the Office of the Pipeline Co-ordinator.

In addition, a payroll clerk position was eliminated. It was vacant, it has been vacant for approximately a year and was not intended to be filled. So, we did eliminate that position and the Financial Assistance Development Manager position that we could not fill was also eliminated. This was a direct result of being able to build up or beef up our Financial Management Systems group by a secondment from Department of Government Services, the data systems area, of a systems analyst and placing the Assistant Treasurer directly responsible for that group.

Hon. Mr. MacKay: Yes, so just to summarize in nice round numbers for me, we added four this current year, 1978-79, then we budgeted two more for 1979-80, and then we moved two out to another department, one to the Pipeline and one to Government Services and we dropped one of the four that we added on and we dropped one of the people we had already, the payroll clerk. Then we took somebody from Government Services, a systems analyst and put him back into Treasury? Is that correct?

Mr. Wilson: Mr. Chairman, the individual from Government Services is not reflected in this budget, but, in fact, shows up under Vote 16. It was a secondment position. We are borrowing that position until the greatest portion of the work that has been slated is completed.

Hon. Mr. MacKay: So in 1978-79 we show thirty-five man years; in 1979-80 we show thirty-seven man years; so thirty-five, we add four which is during the current year makes it thirty-nine, one of which we dropped later which makes it thirty-eight. We then added on two more which made it forty, we dropped these three which makes it thirty-seven. Thank you, Mr. Chairman.

It is no wonder I could not understand why we added 6.

Hon. Mr. Pearson: I think, if the Leader of the Opposition refers to page 224 in the budget, it may become a little clearer.

Mr. Chairman, I think, I would like to emphasize that we are very cognizant of the Auditor General's Report. We are, you know, working to meet his suggestions and requirements at the earliest possible time.

Mr. Penikett: Mr. Chairman, I just wanted to make a brief comment and I would like to do it by way of a representation under this item since it concerns, indirectly, the equalization of electrical rates.

Mr. Chairman: Would that be under Establishment 1207? We are on 1200, Mr. Penikett.

Mr. Penikett: Well, I am perfectly willing to delay making my comment until that time, Mr. Chairman.

Dr. Hibberd: I am sure the Government Leader would be delighted at the opportunity to apprise us of the changes which have been forthcoming because of the Auditor General's Report in terms of the budget and Financial Management Systems that have been instituted. Perhaps, he could update us on what has happened since that report.

Hon. Mr. Pearson: I have tabled a report in this House in respect to that.

Dr. Hibberd: I am asking for the progress on that report, I am not asking for the report.

Hon. Mr. Pearson: Mr. Chairman, about four or five days ago I stood here and read into the record the exact status of where we were on that date, in respect to every program that had been recommended by the Auditor General.

Dr. Hibberd: Perhaps, as the next item that would be of concern is the item called Small Business Loans. We are aware Mr. Chairman, that this has been inactive for almost two years now, and I am wondering why there has to be an expenditure of this amount at this stage of the game?

Mr. Wilson: I am sorry, could you repeat that again.

Dr. Hibberd: Mr. Chairman, the item Small Business Loans, the Small Business Loans Fund has not been operative for almost two years now, so my concern is that we have an item in 1979-80 budget of 8.7 thousand dollars because of this fund. I am wondering why you need so much money at this stage?

Mr. Wilson: Mr. Chairman, we still have quite a large number of loans outstanding, the funds that are being used here are to continue with these in terms of collection. A number of the loans are out for collection, and the types of expenditures would be for approximately one-half man year to administer the small business loans program at this moment.

Dr. Hibberd: Mr. Chairman, then perhaps, the witness could apprise us of the amount of loans that are outstanding in this fund and how you are progressing on collecting under that agreement?

Mr. Wilson: Mr. Chairman, I do not have the figures in terms of the actual dollar amounts outstanding, but the collection is an ongoing process and if the actual outstanding is required I can obtain that.

Hon. Mr. MacKay: Perhaps, when he is doing that we could know the number in default, as well, of the outstanding.

With respect to the individual Votes now, under Primary 20 there is a \$201,000 amount for Systems Development. Can we get a description of what kind of system is being developed? Is it just one area that is being looked at? Are we hiring consultants from outside other government departments? How are we spending this money?

Mr. Wilson: Mr. Chairman, this is in direct consequence of recommendations by the Auditor General and the work plan that was proposed and is now being carried out by the Department of Finance. As you will note, in the Establishment 1200 on page 212, we have two man years under Systems Development. This does not include the Assistant Treasurer but what it will require is addi-

tional contract assistance. The \$201,000 that we are looking at is broken out for such contracts as classification of accounts, asset control, program activities structure and this would be a coding classification as we have Establishment 1200 or a Vote 12 or what have you. This is a revision to our coding and classification. A central commitment consideration, a hardware and software consideration, software programming which is a large portion of this total expenditure. Approximately, \$111,000 is for software purchasing and purchasing and programming, EDT which is Electronic Data Processing Policies Manual, a communication and exchange of information between our government and other governments. These are the main items that make up the \$201,000.

Hon. Mr. MacKay: That is quite a lot of money and it is probably well needed, too. The software purchases are \$111,000, will you be able to obtain any of that locally or are you going to have hire consultants from outside the Yukon?

Mr. Wilson: Mr. Chairman, we have attempted on some occasions to obtain software locally. There are no problems in obtaining that. It depends, of course, on what we can obtain as to whether it would be what we were looking at. We have contacted a number of outside firms for software and have had at least two representations by those firms on various packages, such as general ledger package, payroll package, and so on.

Hon. Mr. MacKay: Will these packages replace existing programs? There is no way we can use our existing programs and update them?

Mr. Wilson: Mr. Chairman, in some cases they will replace existing programs. In other cases, the software will enhance existing. To a large extent some of the recommendations that the Auditor General has had have been a result of our software computer packages.

Some have problems within them themselves so that, in fact, what we will be doing, especially in the area classification of accounts and program activity structures, it is extremely difficult to be able to work with our own general ledger package when we change the full gamut of numbering systems and so on, without looking at a separate and distinct general ledger package.

Hon. Mr. MacKay: Will this entail any new hardware, too?

Mr. Wilson: Mr. Chairman, we are looking at hardware in terms of expansion in the next couple of years. I could not say when that might happen, but it is a project under the Financial Management Systems Group.

Hon. Mr. MacKay: Will there be any prior consultation or approval from the Auditor General's Department with respect to the implementation of these software programs before you actually pay the \$111,000 or thereabouts?

Mr. Wilson: Mr. Chairman, the ongoing work that is being performed by the Financial Management Group is being and has been discussed at various stages with Auditor General people as follow-ups to a number of the recommendations.

We have made sure that they are aware of what is happening. At this particular point in time, there have not been any decisions as to what software packages, in fact, would be purchased and it would be my impression that the Auditor General would be involved, in one way or the other, in terms of these various choices.

Hon. Mr. MacKay: The witness may not know the answer to this but was the Auditor General involved in the original choices of these programs which have now proved deficient?

Mr. Wilson: Mr. Chairman, the Auditor General was not directly involved. These were as a result of his recommendations and our determination in correcting some of the deficiencies that he found.

Hon. Mr. MacKay: One other topic on this Vote, the rental of land and buildings is increased by about fifty per cent. I am curious when you have, in fact, moved some people out why you should have such a large increase?

Mr. Wilson: Mr. Chairman, when the Supply and Services Branch left the area that we are now in, we took up the full area, that is the reason for the increase. The actual increase is based on the square footage that the Department of Finance is using.

Hon. Mr. MacKay: In other words, you have taken over more space than you need now, for future growth, is that a fair statement?

Mr. Wilson: Mr. Chairman, to some extent the space that we had was inadequate, but in essence we do have probably more space than we need at this particular moment.

(Establishment 1200 agreed to)

Mr. Chairman: Establishment 1206, Insurance, information pages are 214 and 215, \$325,600.

Hon. Mr. MacKay: Yes, I am curious as to the rather distant rela-

tionship that the Government of Yukon keeps with its Workmen's Compensation Fund, which the rest of the Territory's employees and employers have to be married to. We are paying \$59,000, as a government, to the Workmen's Compensation Fund, yet, I believe that we are not full members of that fund. Is that correct?

Hon. Mr. Pearson: Yes, Mr. Chairman, that is correct. Like every other jurisdiction in Canada, this Government does not participate in the Workmen's Compensation Fund per se. What we do is pay our share of the administration cost and make our payments pursuant to the Workmen's Compensation requirements directly to our employees. We are no different than any other jurisdiction in Canada in doing this.

Hon. Mr. MacKay: Being different in the Yukon was always a hallmark of the place, I thought.

In this case, there is some difficulty in this Workmen's Compensation Fund at the present time, because we are planning to have a very thin labour force in the various classifications that there are and some of the workers are not so thin, but our labour force is very thinly categorized and there are some of our categories that are bearing very heavy burdens.

In addition to this, I believe that we have been contributing to the fund, called a Disaster Fund, which sets aside money in the event that there is a major mine disaster, for example, or some such thing, all of which are very expensive for a limited population of working people to support.

My question is, could not this Government participate in that fund with its mighty deficit grants from Ottawa, could it not participate in this fund and alleviate the load on the private sector of carrying these two areas?

Hon. Mr. Pearson: Mr. Chairman, I do not think that the Federal Government would even give a passing glance at increasing our deficit grant in respect to us contributing to this fund. The argument is one which has been put many times and it is simply a case of if government participates in the fund in the manner suggested by the Honourable Member, then what it is doing is subsidizing them. I would respectfully suggest that we would be, if it becomes necessary, far better off looking at a direct subsidy or some sort of help that way, rather than government subsidizing private enterprise and private industry in respect to this Workmen's Compensation Fund.

Hon. Mr. MacKay: Mr. Chairman, I would really take issue with the Government Leader in saying that the Government would be subsidizing the fund. I am only asking the Government to pay the same rates as any other employer pays in this Territory. That is not a subsidy, and also, of course, share the same benefits and any other employer shares in this fund. The plain facts are that when you have a very thin work force and the Yukon Territorial Government has over eleven or twelve hundred employees which is a substantial portion of the workforce of the Yukon which are not included in this fund and that when the rest are contributing on an insurance risk basis to some disaster fund, the premiums become very high and because a mine disaster, if it happens, will take twenty lives, say. To insure against that with the few people we have overall, is very difficult and expensive.

We are only asking, I would say that the Territorial Government should bear the same costs and the same risks as they are asking any other employer in the Yukon to do.

Hon. Mr. Pearson: Mr. Chairman, once again, there is not a government jurisdiction in Canada, a provincial or Territorial jurisdiction in Canada that participates at that level and also, no matter what the Member says, it is a subsidy to industry. Workers' compensation is identified as an industry cost bearing benefit to the industries' workers.

Now, we do not deal with this any differently than the provinces do at the present time.

The matter of the Disaster Fund is a real one and a real concern. The Honourable Member also knows that I have been quite concerned with it and the thrust towards establishing this fund and getting it up to where the actuaries think it should be, so quickly has, I think, been sort of offset so that the rates are not as high as were originally suggested, because the conscious decision was taken by the Workers' Compensation Board to not get money into that fund as quickly as was suggested.

Hon. Mr. MacKay: Has this been reflected in this 1979-80 year rates?

Hon. Mr. Pearson: Yes, it has, Mr. Chairman.

Hon. Mr. MacKay: I am very pleased to hear that.

In the event of some disaster, now I was looking at our side, is there any arrangement for a fallback position for this fund with, say, Ottawa?

Hon. Mr. Pearson: Mr. Chairman, there are no written down arrangements. However, there are precedents where Ottawa has, oddly enough, helped the Province of Alberta through a disaster when their fund was in its very young stage yet.

So, we just have to be hopeful; number one, that there is no disaster, naturally; and two, that we would be able to get assistance from the senior government should, in the unlikely event of a disaster occurring.

Hon. Mr. MacKay: General insurance, is that placed locally or does the Government deal with outside brokers?

Mr. Wilson: Mr. Chairman, we do place that locally with an agent in Whitehorse.

Hon. Mr. MacKay: I presume it is put out to bid?

Mr. Wilson: Mr. Chairman, it is not.

Hon. Mr. MacKay: Why not?

Mr. Wilson: Yes, Mr. Chairman, the decision to place insurance with one agent was done quite some time back, when, as a matter of fact, in 1968 there was a general review of our full insurance coverage and certain recommendations were given in that review.

The fact that it has not been put out to tender has been brought up a number of times in the Assembly and we are, at present, arranging for a consultant to once again review, after our ten years of insurance not being reviewed by an independent consultant, with the object in mind of putting out specifications and going to tender for either late this year or April 1st next year.

Hon. Mr. MacKay: A word of warning, my experience is that unless you give companies at least two or three months in order to be able to prepare these bids in putting quotes to the market that you will not get a decent bid.

Mr. Wilson: Mr. Chairman, we have been in touch with all the agents in town and, as a matter of fact, we have been talking to them for over six months now.

The problem in obtaining independent consulting services, however, was we wanted to make sure that they were quite independent. It would be rather difficult for an agent in town to draw up specifications and then bid on the same specifications.

So we have now arranged for a company to make this review and the timing will be sufficient for a full review by the agents and insurance companies involved.

Hon. Mr. MacKay: Could I ask about the supplementary pensions and how they are arrived at?

Mr. Wilson: Mr. Chairman, the supplementary pensions are a result of the introduction of the Worker's Compensation Ordinance approximately five years or so ago. At that time, prior to the Worker's Compensation Board or, at that time, group being formed, most of the employers in the Territory obtained Workers' Compensation insurance from various agents and insurance companies.

Now, it was agreed at the time the Ordinance came into effect that those people who were already receiving pensions at the time, would continue to receive pension, but be paid directly from the Government of Yukon, as opposed to being a charge against the new Workers' Compensation.

So, these pensions are, in fact, for those individuals who were on pension prior to the introduction of the Ordinance, prior to the introduction of Workers' Compensation being formed.

Hon. Mr. MacKay: Before this, who was actually paying this? Was this Prudential that was paying the pensions?

Mr. Wilson: Mr. Chairman, I believe so. It was an insurance company and I am not exactly sure how we took it over, but there is a supplementary Workers' Compensation Ordinance that is listed that allows for this particular payment.

Hon. Mr. MacKay: Does the witness know what the total liability for this pension is and how many years into the future are we going to be paying for the Prudential's obligations?

Mr. Wilson: Mr. Chairman, I am not aware of what the liability is. It is even difficult for Workers' Compensation. They administer the supplementary pensions, but it has been difficult for them to determine that figure. It appears that if an individual was in an accident prior to the Ordinance being brought about and even if that person was not on pension at that time, but at a later time was found to qualify for pension, that individual will be covered under the supplementary pensions.

You would expect that the amounts paid under supplementary pensions would go down, but they have gone up in the past three, four years and eventually, I would anticipate that they would start dropping.

Hon. Mr. MacKay: I have no doubt that the question has been raised before, but surely the government has some recourse, or somebody has some recourse back to Prudential, because when you run a Workers' Compensation Fund you provide for future liability, you provide for injuries that are happening today, that you have not been told about and you build that on to your premiums. So the premiums we were paying up until 1972 or 1973, when this occurred, provided for all of this money we are now paying out.

Surely some investigation of the legal position with respect to going after Prudential should be done.

Mr. Wilson: Now, Mr. Chairman, I might add that Prudential has not been let off the hook, in essence. What has happened, is that the supplementary pensions have been brought up to the level that other people would be receiving a pension if they had an accident now, for example, whereas pensions that were supplied by the various insurance companies were no where near the pension that Workers' Compensation pays.

Hon. Mr. Pearson: I want to make sure that the Honourable Member is clear on exactly what is happening on this. There has been escalation; there has been cost of living increases granted to workers who are on pensions and our pensions have gone up.

Likewise, we have increased those pensions payable by Prudential, except that we are making those payments, not Prudential. There is nothing in law that says Prudential has to increase those payments to the workers that they are paying.

Hon. Mr. MacKay: You are topping it up?

Hon. Mr. Pearson: That is correct.

Hon. Mr. MacKay: You are topping it up, except that the witness has said that people who report accidents that occurred while covered by Prudential who did not claim Prudential, are now being paid in full from this government? Is that correct?

Mr. Wilson: Mr. Chairman, that is my understanding. However, since the program is operated by the Workers' Compensation Board, I have difficulty in ensuring that that is correct.

Hon. Mr. MacKay: Perhaps, the Government Leader could look into that one. That sounds somewhat different than the principle you were enunciating before.

Hon. Mr. Pearson: Certainly, Mr. Chairman, we have a legislative responsibility to make these payments at the present time. The only way that can change is if we change the legislation.

But, certainly, I will look into that because it is of interest to me personally.

(Establishment 1206 agreed to)

Mr. Chairman: Establishment 1207, Electric Rate Equalization, \$715,000.

Hon. Mr. MacKay: Can the witness tell us how much, I am just looking for the--

Mr. Chairman: The information is on pages 216 and 217.

Hon. Mr. MacKay: Yes, I see we are estimating only \$150,000 in terms of recoveries this year. Is that a reflection of Yukon Electrical's lower profits?

Mr. Wilson: Mr. Chairman, it is a reflection of a decision by the Government of Canada to give back only fifty per cent instead of ninety-five per cent of the taxes paid by Yukon Electrical.

Hon. Mr. MacKay: I understood at the same time that happened the Federal Government also put in more money into the system. Does it come through the offices of the Territorial Government or does it go directly to NCPC?

Hon. Mr. Pearson: Mr. Chairman, at the present time that money does not go through the Territorial Government and we are making representation, have made representation to the Federal Government, suggesting that it would be most beneficial to us if it did. We could lump all of this money together and come up with an equalization scheme that would really be meaningful to the people in the Territory.

At the present time, the diesel fuel equalization scheme that the Federal Government has in place is a three-year scheme and it is completely beyond our control or realm. It does not show anywhere in here, whatever. This \$715,000 is what we anticipate it will cost us to continue our program in its present state.

Hon. Mr. MacKay: I take it then, that since the Federal Government is now directly subsidizing diesel generating facilities, there has been no adjustment in our program to take that into account. We are paying just exactly the same kind of money out in exactly the same way as before?

Mr. Wilson: Mr. Chairman, we have not made any adjustments to

our electric rate equalization plan. The reference to the Federal plan is to all communities outside of Whitehorse except for Faro and Mayo only because their rates are as low as Whitehorse in essence, and with this \$715,000 anticipated that we should be able to continue with our plan.

Hon. Mr. MacKay: This fund has been dwindling over the years and it will dwindle even further. I presume it must be well into the red by now, is this correct, with this \$715,000 coming out and only \$150,000 going in? Is that about the end of the money?

Mr. Wilson: Mr. Chairman, that is correct. The fund will be deleted. It will be in the red this current year.

Hon. Mr. MacKay: As I understand the value of the Federal contribution to the diesel, it is only around, I think, \$300,000 it seems to me. What plans does the government have if our future contributions from Yukon Electric is only \$150,000, we are suddenly down to \$450,000 coming into the system as opposed to this year over a million dollars? Do you have any plans to make up the extra \$600,000?

Mr. Wilson: Mr. Chairman, I am not sure I follow the Member's bookkeeping at the moment. We are allocating \$715,000 of territorial funds this year. Now, in each year in the future we are going to have to come up with a scheme and make a conscious decision on what we are going to be spending. It is obvious that the rebate from Yukon Electrical's income tax is not going to get very much bigger. I just do not think that that is going to happen. The Federal Government have substantially cut it back this year when they went from the ninety-five per cent to the fifty per cent.

We have to be hopeful that we are going to get the Federal contribution to the tune of some \$300,000 into this plan and then we could make it work at that point.

Mr. Penikett: Some days ago I asked the Government Leader some questions about the Electrical Franchise in Whitehorse and at that point I think, we reached a stage where we agreed to disagree in regards to the rate system. The Government Leader's view was the question of rights was the exclusive prerogative of the Electrical Public Utilities Board. He did however, agree that the question of subsidies was properly the business of this House.

I would, at this time, like to make a representation, because I am sure the Government Leader has not yet had time to consider my points and all the wisdom and change his mind. That representation is that the effect of the present rate structure of that electrical utility operating in this City without a franchise is to provide a subsidy to parts of the Yukon at the expense of the electrical consumers of Whitehorse. I want to make it clear, Mr. Chairman, that I do not, in principle, have any objection to such subsidies, but I would insist that they are something that ought to be determined by this House.

I would once again reiterate that the question of rates and the method of setting those rates ought to be a concern of this House if those rates, in effect, involve subsidization of consumers other than the ones of this Whitehorse area. I realize it is a matter somewhat tangential to this item in the budget, but I wanted to take that opportunity to make a representation again.

Hon. Mr. Pearson: Mr. Chairman, as the Honourable Member is well aware, I am quite familiar with this subject. Now, he is leaving the wrong impression that Whitehorse is subsidizing the rest of the Territory. In fact, Mr. Chairman, Whitehorse does not pay one hundred per cent of cost of service, nor does any other community in the Territory, except Mayo, Mayo pays more than one hundred per cent of the cost of service.

So it is wrong to say Whitehorse is subsidizing the rest of the Territory. Whitehorse just happens to pay closer to one hundred per cent of the cost of service than most of the other communities in the Territory do. I do not deny that point. The principle of rate setting is one, once again, that is in legislation and is pretty solidly set in North America. This is done by a completely impartial board whose primary concern is cost of service.

Hon. Mr. MacKay: I, too, am prepared to move with this subject. It is also a fairly imbedded principle in other jurisdictions that there is an attempt to equalize, through the government, some policy whereby the rates are equalized across the Territory, so it is not a responsibility that we, in this House, should be denying and I think, all of us are prepared to get into that subject when you bring it forward.

I would like to mention in case the Honourable Members here are baffled by the wizardry of the Public Utilities Board in making everybody pay less than the cost of service, it leads one to ask, who is actually paying for the cost of service? The answer to the question, for the benefit for those who do not know, is that the mining companies are paying the cost of service. The mining companies are paying about 1.4 million more in electrical rates than the cost of

service would indicate.

It is a worthwhile thing to note, especially for the Honourable Member from Faro and Mayo, wherever they may be. This is what is happening right now, equalization is actually taking place in the form of industrial companies subsidizing our consumers.

Mr. Falle: It just may well be that the mining companies are subsidizing the people, but also I would like to let you know that the people on the outskirts of this town are paying up to ten cents a kilowatt. I do not think that is subsidy for anybody.

Mr. Penikett: Mr. Chairman, it is quite obvious this could be a long debate and, I think, I am prepared to stand it over to another occasion when I have more figures in front of me.

Dr. Hibberd: Mr. Chairman, I am very glad to hear the Government Leader finally get it out in the open about who is subsidizing who. I am rather tired of hearing about the citizens of Whitehorse subsidizing the rest of the Territory when, in reality, that is not the case.

The subsidy is enjoyed by us all, perhaps to a lesser extent by those in Whitehorse, but they are not paying their way either. I think it is something that has been propagated by that other place down the street. They had an election to go through and they have another one coming up in a few short months and that is their preoccupation, but, I think, we must remember that that the subsidy scheme that has been in place has been a subsidy for all of us.

The Yukoners who do not live in Whitehorse have benefited more, but we all have benefited from that subsidization scheme to the extent where we do not pay our way.

I have one concern that was raised by something the Government Leader stated and it involves exactly what the subsidy which has been imposed by the Federal Government amounts to. Is it a subsidy which applies to every community or outlet outside of Whitehorse?

In other words, is Whitehorse the criteria by which that subsidy is set or is it merely a subsidy to diesel operated areas? There is a difference, Mr. Chairman.

Not only that, is the application of what we call our subsidy imposed after this now Federal subsidy comes into being? Which takes precedence? It makes a great deal of difference on the dollars that YTG is spending in terms of subsidizing electrical rates. Is the so-called diesel subsidy or outside of Whitehorse subsidy the Federal Government has come out with put into place and then does our subsidy come in?

I am sure there are a lot of dollars involved here, as far as YTG is concerned.

Hon. Mr. Pearson: Yes, Mr. Chairman, the Federal subsidy is one to all diesel generated electricity, save that generated by diesel at the standby plant in Faro, Mayo or Whitehorse; in other words, where there is hydro.

The Federal plan is designed so that all of the places where there is diesel generation, the customers get their first 700 kilowatts of electricity at whatever the rate happens to be in Whitehorse before there is any subsidy.

Now, the Honourable Member is correct, there is a great difference in dollars because our subsidy then goes on after that is taken into account after that point. That is at the present time.

What we are suggesting to the Federal Government is that if we can come to some kind of an agreement where we can put that all together, we could probably come up with an equalization scheme for the whole Territory.

Mr. Penikett: Mr. Chairman, I had planned to let this sit, but I am afraid that the intervention by the Honourable Member from Whitehorse South Centre and the Honourable Member from Riverdale South has forced me to get up and make one final point.

Everybody has maybe successfully disputed the minor point about the subsidy in Whitehorse, and that is fair enough and I will be willing to debate that with them at some other time. What they have all missed though, which was my central point, and Mr. MacKay has been suggesting that it is the mining companies that are subsidizing all the consumers in Yukon and Dr. Hibberd has supported that theory, which goes back to my original argument, who is mandating those subsidies.

I think that Mr. MacKay would argue that it is the Electrical Public Utilities Board. I go back to my central point, it ain't their business to allocate subsidies. Subsidies are the business of this House and if there are subsidies going, that subsidy policy ought to be determined by this place, not a board of the Territorial Government.

Hon. Mr. Pearson: Mr. Chairman, I am in no position to defend the

actions of the Public Utilities Board any longer. However, I would very much like to do so, but I just do not think that it is proper that I do so at this time.

Hon. Mr. MacKay: I do not think that the Honourable Member from Whitehorse West was attacking the Public Utilities Board at all and there is no requirement for the Government Leader to try and defend them.

What he was saying was that the responsibility is right there now, sitting right front and centre over there is the body that should be deciding which subsidies should go to which place and not the Public Utilities Board.

Dr. Hibberd: Mr. Chairman, that is not true. Let us face it, we are caught in between. The Federal Government has, on their own and unilaterally, with the hindsight consultation, come out with their own subsidization scheme that they have imposed on us without really consulting what goes on. They have imposed a lot of hardship by going about it the way they have. They have created a lot of problems by their alleged subsidy scheme. They have made it more difficult for YTG to try and solve it, to try and help the consumer.

It is not a pure and simple situation. We have a Liberal, now ex-Liberal as of six o'clock tonight, ex-Liberal Government in Ottawa who has to account for this mess.

Mr. Chairman: Order, please.

Mr. Penikett: I just want to observe how perfectly predictable it is that an election having been called tonight that the Tories immediately resort to form and begin attacking Ottawa. It is very usual.

Mr. Chairman: Order, please.

Hon. Mr. MacKay: If the message I am receiving from the Member from Whitehorse South Centre is that he would like to have the subsidies revoked, on May 23rd, I would be happy to contact Ottawa and talk to some people I know there and let them know that.

(Establishment 1207 agreed to)

Mr. Chairman: Establishment 1208, Heating Fuel Equalization, \$10,000.

(Establishment 1208 agreed to)

Mr. Chairman: Establishment 1209, Home Owners' Grant, \$485,000.

Hon. Mr. MacKay: Are there any statistics available to show how many people who do not take advantage of this program who can take advantage of it?

Mr. Wilson: Mr. Chairman, I only have the number of applicants who have taken advantage, not those who may possibly in this current year, 1978, and I am not sure if these are final figures, but they are extremely close to being final, there are 1,958 applicants.

Hon. Mr. MacKay: I am curious about this because I think that this is a monster in terms of paperwork, this Home Owners' Grant. Is there any way of determining how many people who do qualify, either just do not go through the paperwork or do not know how to do it? Did the Government have any figures in mind before they started out as to how many people should benefit from this?

Hon. Mr. Lang: Mr. Chairman, I think that you are asking for statistics that are not available but I would go further, Mr. Chairman, from this side of the House, that we are reviewing a method of disbursing the Home Owners' Grant and there should be some decisions made later on in the summer and, hopefully, will be put forth to the House for their deliberation.

Hon. Mr. MacKay: I am sure the Members are fairly familiar with how they do it in BC by now, with all the consultation we have been having. I believe, they make direct credits in the property tax notice which may well save .3 man years and a few other dollars.

Mr. Falle: Mr. Chairman, do I understand the Minister to say that we are going to review the method of disbursing it? I see you have answered my question. Thank you.

(Establishment 1209 agreed to)

Mr. Chairman: Recovery information is on page 221. Revenue information is on page 222. They are for your information only. If there are any questions I shall now hear them. If not, we shall go on to page 223, Capital Estimates, Establishment 1250, Liquor Warehouse Stores and Equipment for \$40,000.

Hon. Mr. MacKay: I understood we had a separate Yukon Liquor Corporation and I would have imagined that they would have looked after their own affairs.

Mr. Wilson: Mr. Chairman, on the top of page 223 the department is the Yukon Liquor Corporation. It is only placed in Vote 12 because the Yukon Liquor Corporation has a separate accounting, a

separate function except that for any capital equipment to date the expenditure shows up in YTG's books and not in the Liquor Corporation's books.

Hon. Mr. MacKay: Perhaps, I need a little more background on Yukon Liquor Corporation, it is a separate crown corporation I understand, and is providing a service of dispensing wholesale and retail liquor. Would it not own its own assets and be a self-supporting, separate entity?

Mr. Wilson: Mr. Chairman, I believe that the assets are transferred to the Liquor Corporation at a nominal amount.

Hon. Mr. MacKay: I question the reasoning behind that. It seems to me that when you establish a separate Crown Corporation, it ought to be able to stand up on its own two feet and make it pay for itself, so giving it all its assets for a dollar is negating that purpose.

That aside, before we finish this particular Vote, I asked of the Government Leader during our earlier debates on this Department for a figure in respect to interest in investments. We have a budgeted figure of a million dollars I see for 1979-80. I was curious to know as to what kind of a term of investment we were getting on the funds that are held by the Territorial Government? Are these figures now available?

Mr. Wilson: Mr. Chairman, I have the figures for 1977-78 and for 1978-79 to date. For 1977-78 the average return was 7.07 per cent on all investments and in this current year, 8.35 per cent. Now, the investments we have at this point in time are all in the ten per cent block, but the average started at a pretty low rate and now are up around ten per cent.

Hon. Mr. MacKay: Who makes the investment decisions of that nature in the Department?

Mr. Wilson: Mr. Chairman, the investments are according to Commissioner's Order in terms of the policy on regulations and types of investments that we can invest in are named under the Trustee Ordinance. The actual investments are carried out by our Revenue Department.

Hon. Mr. MacKay: Do they take advice from any other source? They may have a choice to invest the money for 30 days, 60 days, 180 days with varying rates of interest depending whether the rates are going up or down can make a significant impact. Do you take advice from any sources?

Mr. Wilson: Mr. Chairman, we, weekly, obtain information from the financial institutions to determine the best rate, whether it is 30 day or 90 day or what have you type money. We invest in the highest return that we can get.

It has been, in general, 90 day money that gets the best rates.

Hon. Mr. MacKay: Before I leave this, the question I originally contemplated, knowing the rate is 8.35 per cent for 1978-79, that is fine, but I do not know how much of the funds that they had available were earning that on the average and how much were sitting in current account not earning anything.

I am concerned about the financial management, is there somebody saying, okay, as soon as that dollar amount hits two million dollars, we will take that out and put it in a short term, how do you operate this?

Mr. Wilson: Mr. Chairman, we have a daily review of our cash position and we have arrangements with our bank to provide transfers daily from particular accounts if they exceed a certain dollar amount to make sure that they do go into investment accounts. At no time are large dollar amounts sitting in current accounts. They are either small dollars in the savings or else in our investments in term deposits.

Hon. Mr. MacKay: As the amounts involved are extremely large and would be most valuable to any bank to have, does the Territorial Government ever put the account out to bid?

Mr. Wilson: Mr. Chairman, I am not aware that we have. I just do not know.

Hon. Mr. MacKay: When the City of Whitehorse did so, they found it extremely beneficial.

Hon. Mr. Lang: Mr. Chairman, we will take that under advisement.

(Establishment 1250 agreed to)

Mr. Chairman: Vote 13, Department of Library and Information Resources, page 227. Establishment 1300, Administration, \$108,100.

Hon. Mr. Graham: Mr. Chairman, it is with a great deal of pleasure that I present the budget for the Department of Library and Information Services. The total budget increase for this department is only 8.5 per cent, and we have a manpower increase of only 1.5 man years over last year's main estimates, both of which are justified, I

feel, by the increase in volume of information being handled by the department.

I will give you a brief rundown of the three sections in the Library Services Branch. The first one is Library Services, which is responsible for the total Yukon library system. They also provide sports services in the form of purchasing, cataloguing, et cetera, to school libraries.

The Library Services Branch is also charged with obtaining and retaining research library material and special library projects.

The Archives basically acquire, preserve and make available documentary sources related to the Yukon. These include government, corporate and private records, films, photographs, sound recordings, maps, books and any other source documents, regardless of format.

The Records Services has as its objective to provide efficient economic records management throughout the Government of Yukon. Also, this department is developing a special schedule for computerizing and microfilming of records, and the department is also charged with the responsibility of maintaining security for government records.

Hon. Mr. MacKay: Well, Mr. Chairman, I think we have a darn fine library and I think it is a well managed affair. It is a library, certainly the Whitehorse one, that many a larger city would be most envious of, and I am pleased to see that the government is maintaining it.

I think, the Archives services is a little-known and understood service and I think, if that aspect of it could be promoted somewhat more, as a lot more information would be coming more available to the Archives from resident Yukoners, if they really understood what it was doing. It is really our heritage they are preserving and, although we are only 79 years old, since the Gold Rush or so, it is certainly none too soon to start preserving it.

I think that that aspect could be better promoted by the government, particularly in terms of acquiring valuable information from people who are leaving the Yukon after many years of residence here.

(Establishment 1300 agreed to)

Mr. Chairman: Establishment 1310, Libraries, \$573,800.

Hon. Mr. MacKay: Just for my information, because I am not really very familiar with it, what services does the Library Service Branch provide to the areas outside of Whitehorse?

Hon. Mr. Graham: We have, I believe, at the present time, seven full time libraries outside of the Whitehorse area and roughly 14, what we term, book stores. These are staffed by volunteers with a certain amount of financial help from the Library Services Branch in Whitehorse, but they are not on a full time, on-going basis, with their own building, and that sort of thing. Is that what you are wondering?

(Establishment 1310 agreed to)

Mr. Chairman: Establishment 1320, Yukon Archives and Record Services, \$552,500.

Hon. Mr. Graham: Mr. Chairman, I believe, in this department we had a .5 man year increase in the Yukon Archives, and this was simply to attempt to keep up with the volume of material that we are currently inundated with in the Archive Services.

I believe, they are behind a majority of the time, especially in the acquisitions area, and it may be that, during the year, if we receive any more collections such as the Goods Collection, we may come to this House with a supplementary for another man year.

(Establishment 1320 agreed to)

Mr. Chairman: Revenue Information is on page 235. Capital is on page 236. If there are no questions on Revenue, we will go to Establishment 1350. Establishment 1350, Library Equipment and Renovations, \$16,000.

Hon. Mr. Graham: This is just an indication of the volume increase in library and archives material around Yukon. It is pretty well an annual item, basically for more storage space and shelving.

(Establishment 1350 agreed to)

Mr. Chairman: Establishment 1351, Community Information Centres, \$13,000.

Hon. Mr. Graham: The Information Centres are an attempt to inform librarians, or part-time librarians, in the communities throughout Yukon, methods and departments to get in touch with in the Territorial Government if they wish to have some specific information. That is basically what this \$13,000 is for. It is for us to educate our community librarians and to turn our libraries, more or less, into a resource centre for information about the Territorial Government.

(Establishment 1351 agreed to)

Mr. Chairman: Central Microfilm Program, \$28,000.

Hon. Mr. Graham: Mr. Chairman, these are the funds necessary to get the first microfilming project started, which is the microfilming of medical records for Yukon Health Services.

Hon. Mr. MacKay: Are we going to be paid for that, or is this for our own internal department?

Hon. Mr. Graham: Mr. Chairman, it is for our own, internal department. It is really a method by which we can condense the material that we now have in huge files all over the place. We will attempt to put it all on microfilm, and free some of the file cabinets for other documents.

(Establishment 1352 agreed to)

Mr. Chairman: Establishment 1353, Photo Technician and Camera, \$5,000.

Hon. Mr. Graham: This, Mr. Chairman, is a camera for historical photograph reproduction. Formerly, we farmed out the reproduction of historical photographs, and in the past we have had some great success with a few technicians, but we have also had lack of success with others. With this camera, we will be able to standardize the technique and, I believe, Information Services will be providing the photographer who will use the camera.

Hon. Mr. MacKay: I would just like to find out, before we leave this area, that this particular budget, Vote 13, has gone extremely smoothly, a contrast to the two previous budgets that the Minister has presented. It shows that we bear him no ill-will.

(Establishment 1353 agreed to)

Mr. Chairman: I shall declare a ten minute recess at this time.

(Recess)

Mr. Chairman: I will call Committee back to order.

We continue on to Vote 15, Department of Health, Establishment 1500. I will now anticipate general debate. The information is on page 256 and 257.

Hon. Mr. Njootli: Mr. Chairman, it seems as though we are going to be able to go to Ottawa with this before the next fiscal year. I do have some notes that I would like to refer to before we get into the health department.

The Department of Health is responsible for the health care delivery system in the Yukon, and we have a health care system without peer anywhere, and I am pleased to tell you that this high level of service will be maintained, and it will be maintained with an overall increase in budget of approximately 5.4 per cent. I am sure members will agree that this is a very modest increase; considering the current population growth in Yukon. In this fiscal year we have not asked for an increase in staff. New programs will have to be undertaken by reallocation of existing resources.

Health costs continue to be a concern in Canada as a whole, as well as in the Yukon. My approach to this problem will be to stress a greater emphasis on programs which endeavour to retard or stop problems before they occur. An ever increasing emphasis will be placed on the prevention of communicable diseases, such as T.B. and environmentally induced illnesses.

The alcohol and drug service division, which has developed a wide range of treatment programs, will place a greater emphasis on community education and action against alcohol problems. They will be taking leadership in combatting problems relating to alcohol use and pregnancy, a problem which, if alleviated, will forestall many future health problems among our children. One of the main issues in the health area at this time is transfer of health delivery from the federal government to the territorial government, since the YNB or the Yukon Native Brotherhood withdrew from negotiations in February of 1978. The Federal Ministers of Health in Indian Affairs decided to proceed with the transfer, independently. A Treasury Board submission has been prepared in conjunction with the Yukon Government and now awaits final approval.

Yukon Health Care Insurance Plan is running at a deficit, and this deficit is being met from general revenue. The proposed rate increase will enable the Plan to regain its status as a self-supporting program, and the rates will continue to compare favourably with the other provinces which collect fees.

The Health Department is not asking for a large increase in the budget this year, but we remain committed to providing the best health services possible. Unfortunately, the government cannot solve all the health problems by simply voting money, but it can, with the help and cooperation of Yukoners, fight against existing problems and work to prevent the increase of those problems.

Some of the legislation under which the department runs is the

Yukon Health Care Insurance Plan, Hospital Insurance Services Ordinance, Public Health Ordinance, Rehabilitation Service Ordinance, Travel for Medical Treatment Ordinance, Vital Statistics Ordinance, Marriage Ordinance, Legitimation Ordinance, and that is just a brief overview of the department, Mr. Chairman.

Hon. Mr. MacKay: Thank you, Mr. Chairman. I think, the major concern of this department is not as stated, it is not the transfer of health care delivery systems. That is purely an administrative juggling act. I think, the main issue of this department has to be predicting the problems that alcohol raises in the Territory, and I think that that is an area which is of great concern to us all, and I am pleased to note, in passing, that the budget for combating alcoholism and drug abuse has gone up considerably since 1977-78. It has now reached the sum of \$381,000 from a meagre \$216,000, two years ago.

However, I would submit, Mr. Chairman, that that is not enough, and that it really is a terrible, terrible problem in Yukon. We run into it in many ways. We run into it in the really meaningless debate that goes on about the ban on public drinking. We are concerned now about the symptoms of a very deep-rooted problem when we talk about these things, and the department has to face up to the problem, really. It is not the Corrections department really, they are the ones who are also dealing with the end product. It is not the City Council of Whitehorse who are trying to make bylaws, or implement ordinances.

Really, the problem rests, for treatment and correction, in this department, and I would suggest that if there was any one theme that this Minister could adopt in his term of office, if there is any one area that he could really make a terrific contribution to in Yukon, it would be in getting more help to these people who are suffering from this problem, and I can assure him that from this side of the House he would have every support we could possibly offer him in that endeavour.

(Establishment 1500 agreed to)

Mr. Chairman: Establishment 1501, Mental Health, \$183,200.

(Establishment 1501 agreed to)

Mr. Chairman: Establishment 1502, General Health Services, \$664,600. Your information is on page 260 and 261.

Hon. Mr. MacKay: Are these costs fully recoverable from National Health and Welfare? Is this what happens here?

Hon. Mr. Njootli: Health and Welfare Canada deliver public health and the other services in Yukon. The operating administrations of these services are in Federal hands, but the costs are borne by YTG, seventy per cent, and Health and Welfare Canada thirty per cent, approximately the population ratios of others and status Indians. The estimates are supplied by Health and Welfare Canada.

Dr. Hilberd: So, Mr. Chairman, are we to interpret from what the Minister has said that the costs for the health centres and health stations in the Territory, as a breakdown, are funded seventy per cent in the overall, but zero per cent for natives, by YTG. In other words, it is one hundred per cent by the Federal Government, and thirty per cent by the Federal Government for non-native participants. Is this how these are funded?

Mr. Wilson: Mr. Chairman, when you look at 1502, the \$664,000 is for seventy per cent costs in total. In other words, you could look at total costs for general health at approximately a million dollars. The seventy per cent would be your \$664,000. That is how it would be broken up, and that is basically on the percentage ratio, Indian and non-Indian.

Mr. Penikett: Mr. Chairman, I wonder if I could ask the Minister to explain the reduction in the dental program that is identified in this budget?

Mr. Wilson: Mr. Chairman, I do not have the reason it has dropped from \$261,000, but in 1977-78 the estimate was \$191,000, so it appears to be that, in the interim, in 1978-79, that the estimate was just higher than what did come in. The figures that we do get, of course, are those that are supplied by National Health and Welfare, and the \$225,000 is the figure that they supplied.

Hon. Mr. MacKay: Yes, I was going to inquire about the reduction of the Regional Health Services from \$145,000 to \$43,000. What is the reason for that?

Hon. Mr. Njootli: There is the explanation that Mental Health is involved in that. Environmental Health, Public Health Inspectors, Health Education, and with respect to the Dental question put out from the Honourable Member from Whitehorse West, the school dental program is from Kindergarten through grade 8, the supply of dental therapists, and controls the expansion of this program to grade 12.

Mr. Penikett: That was an explanation but not really an answer. If I understood the Minister, he said the supply of dental therapists has something to do with the level of this service. Do I then take it that we have some problem obtaining the services of dental therapists, or has there been a cut back in that area?

Hon. Mr. Njootli: The dental program has been in existence since 1963 and we have been extending that program and sending students out to Fort Smith for training. Right now we have a couple in the Yukon under the dental program in the schools.

Mr. Penikett: Mr. Chairman, I understand that we have been sending students to the program in Fort Smith, that is very commendable and as I understand it, we ought to, by now, have had a number of graduates, or are soon to be receiving a number of graduates from that program, therefore, if, as the Minister says, the program is being cut back because of the availability of dental therapists, perhaps he would agree to come back to the House and give us some kind of further explanation of the cutback there before we pass this item?

Dr. Hibberd: Mr. Chairman, belabouring the point a little bit, but if we could go back to the Health Centres, Health Stations, and the funding which we and the Federal Government are involved with, even if we accept the seventy per cent funding that it appears that YTG is responsible for as an overall figure, in view of that, perhaps the Minister could give us some idea of who is responsible for the running of these centres, who has the say over how the money is spent, in view of the fact that we are spending seventy per cent of the money in these?

Hon. Mr. Njootli: I will have to come back with the answer on that one.

Mr. Byblow: If are going to be leaving this, perhaps the Minister might also investigate and explain why under this Establishment last year there were two additional programs listed which are not included in this year's Establishment?

At the same time, what does this mean in terms of the health transfer? If we have a reduced budget this year and we are engaging in a transfer in which it is assumed that a comparable dollar amount is going to be transferred, if we have reduced our services, somewhere in the transfer we are going to be short changed.

Hon. Mr. Njootli: Mr. Chairman, the health transfer has its own man years and its own money allocations coming with it. It will not affect the government budget in any way. The administration is coming with it, the buildings, everything is coming with it, so I do not see any problems there.

Dr. Hibberd: Mr. Chairman, perhaps appropo to that, it might be worth mentioning and I realize that the Minister is going to come back with more information as to who is running the health centres, et cetera, but I think that the point has to be made, and has to be made here, that these health centres and health stations are running and they are under now the aegis of the Federal Government. It is their staff, it is their responsibility, the decisions that are made in running of those organizations are not ours. We are spending most of the money that is keeping those things operating. I think that it is not merely enough to say that we are transferring the responsibility over because we have most of the funding there now.

I think the point that should surely be made is that the majority of funds that go into these places for their operation is, right now, our money and we should, under those circumstances, be enjoying the responsibility of running them and the decisions that our involved in running them. We should not abrogate that responsibility back to the Federal Government when we are supplying the funds so that they can operate.

(Establishment 1502 stood over)

Hon. Mr. Njootli: Mr. Chairman, I am still not sure as to why this Establishment is to be stood over.

Mr. Chairman: It was my understanding that there were a couple of questions on which you could bring the information back, Mr. Njootli, and before we can pass it, they would like the information.

Hon. Mr. Njootli: Is it with regards as to who is running the Health Centres?

Mr. Chairman: There were two specific ones. I will ask the Members to restate their questions.

Mr. Penikett: Mr. Chairman, the questions were about the cutback in the dental programs, the cutback in the funding for the health centres and the cutback for regional health services, none of which we have had satisfactory explanations of yet.

Mr. Hanson: I move, Mr. Chairman that you now report progress on Bill Number 4, First Appropriation Ordinance, 1979-1980.

Mr. Chairman: It has been moved by Mr. Hanson that we report

progress on the First Appropriation Ordinance, 1979-80.

(Motion agreed to)

Mr. Hanson: I move, Mr. Chairman, that Mr. Speaker do now resume the Chair.

Mr. Chairman: It has been moved by Mr. Hanson that Mr. Speaker do now resume the Chair.

(Motion agreed to)

(Mr. Speaker resumes the Chair)

Mr. Speaker: I will now call the House to order.

May we have a report of the Chairman of Committees.

Mr. Lattin: Mr. Speaker, the Committee of the Whole has considered Bill Number 4, First Appropriation Ordinance, 1979-1980 and directed me to report progress on same and beg leave to sit again.

Mr. Speaker: You have heard the report of the Chairman of Committees. Are you agreed?

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

May I have your further pleasure?

Mr. Hanson: Mr. Speaker, I move we do now adjourn.

Mr. Penikett: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Mayo, seconded by the Honourable Member from Whitehorse West, that we do now call it 9:30.

(Motion agreed to)

Mr. Speaker: This House now stands adjourned until 1:30 pm tomorrow.

(Adjourned)

Whitehorse, Yukon

Tuesday, March 27, 1979 - 1:30 p.m.

Mr. Speaker: I will now call the House to Order.

We will proceed at this time with Prayers.

(Prayers)

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

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any documents for tabling?

TABLING OF DOCUMENTS

Hon. Mr. Graham: Mr. Speaker, I have for tabling today pursuant to the School Ordinance, the Yukon Teachers Staff Relations Board for the year 1977-78.

Also Mr. Speaker, I would like to table the answer to a question by Mr. Byblow concerning native-oriented content in the school system. But before I table this document, Mr. Speaker, I might qualify some of the answer to a certain extent. I believe that Mr. Byblow's question: "Could the Minister provide this House with financial and policy breakdown of his Department's input into native-oriented content in the school system at the instructional, developmental and administrative levels..."

Mr. Speaker: Order, please, perhaps, the Honourable Minister may wish to table the replies in the Question Period so that we do not get into debate at this point.

Hon. Mr. Njootli: Mr. Speaker, I would like to table the answer to Written Question Number 6 concerning the collection of Medicare premiums.

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

Introduction of Bills?

Are there any reports of Standing or Special Committees?

Petitions?

Notices of Motion for the Production of Papers?

Notices of Motion?

Are there any Statements by Ministers?

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

QUESTION PERIOD

Question re: Alcohol Related Offenses

Hon. Mr. MacKay: Thank you, Mr. Speaker.

My question is to the Minister of Justice. In view of the fact that about one-third of the prison population of the Yukon are incarcerated for liquor related offenses and in view of the fact that it is even likely that more will be sentenced in the future due to the ban of public drinking in Whitehorse, will the Minister recognize the seriousness of this problem and undertake in this House to seek meetings with his colleague, the Minister of Health, the judiciary, the RCMP, and take steps to seek solutions to this problem?

Hon. Mr. Graham: Mr. Speaker, we do have such a committee set up at present, called the Justice Liaison Committee. We, in this committee, are members of the city administration also.

We are, at this time, attempting to put together a young adults alcohol education program. This program will be between both the probation services of the Justice Department and the Alcohol and Drug Service from my Honourable colleague's Department. This program is basically oriented to young alcohol offenders, those between the ages of 16 and 19 years old.

At this time, we are just in the process of researching and trying to put together a program. When such a program has made it through the various Departments, I am sure I will be in a position to

bring it to this House.

As far as alcohol and adult offenders, I am sure the Honourable Member realizes that we presently have in place a Crossroads, again through my Honourable Member's department. We have a Crossroads program in place and we have an Alcohol and Drug Services which offenders in the Correctional Institute may take part in. It is on a voluntary basis to a certain extent, unless a person is sentenced, or as a term of his probation is required to attend an alcohol related seminar.

I do not, at this time, see us building or constructing a new institute where we will put nothing but alcohol offenders because, I think, the economics of such a move would be totally false.

I think, it must be understood, also, Mr. Speaker, that to a certain extent these alcohol related programs are a volunteer type program. If a person does not want to be broken, if you will use the term, of the alcohol habit then I am sure nothing we are going force that person to do will ever change his habit. If he does not want to give up the alcohol, then I do not think that there is a program in the world that is going to force him to do it. On that basis alone, disregarding the economics of the situation, I can not see us building a special institute for people with alcohol related problems.

Hon. Mr. MacKay: I appreciate the Minister's thorough answer to the question, Mr. Speaker. I do believe, however, there is a section in the Liquor Ordinance of the Yukon which has not been proclaimed which would permit sentencing for treatment of alcoholics. Do I take it from the Minister that it is not the intention of his Government to proclaim that section?

Hon. Mr. Graham: Mr. Speaker, I am not entirely certain of which section of the Criminal Code that the Honourable Member speaks about, but I must reiterate at this point that the basis we are operating on at this time is that it is a voluntary thing.

If you realize that you have an alcohol related problem, then it is up to you, if you are in the Correctional Institute, to make that concern known to the staff at the Correctional Institute and they will take all steps to ensure that you have someone there that will help you with your problem. Again, it is a voluntary thing.

If, in the court's wisdom, they decide to make it a term of probation that you attend an alcohol class, then it goes out of my hands and into the area of my honourable colleague where they attend alcohol and drug related classes.

But again, we must get back to this fact, Mr. Speaker, in most cases, it is a voluntary thing. If the person wishes to have help then we will make that help available.

Hon. Mr. MacKay: The Minister has stated that a term of probation may provide for the person to attend classes or seminars or treatment, yet, it is not permitted for a magistrate to be able to provide for that in the form of the sentencing. That is the area where I think, the government, if they agree with it being part of probation, I cannot see why they cannot agree that it be part of the sentencing.

Hon. Mr. Graham: Mr. Speaker, I believe that we are getting into the area of magistrate's decisions and I am not prepared to comment on what sentence a magistrate deems fit to hand to a person. That is entirely in the bailiwick of the courts.

I do not really see the problem that you are getting at. If a person is convicted of an alcohol related offense, he is sentenced either to the Correctional Institute or he is given probation. In either of those two instances, the counselling is available if he wishes to have it.

We, in the Correctional Institute, are not attempting to force people to take counselling. If they do not want the counselling, then they will not have it.

Question re: White Pass Job Advertisements

Mr. Penikett: I have a question for the Government Leader. Last week's Edmonton Journal Career Opportunities section carried an ad from the White Pass rail division for section workers, section foremen, train and engine workers. Will the Government Leader seek assurances from White Pass that this advertisement represents a new corporate commitment to continue to operate the railroad?

Hon. Mr. Pearson: Mr. Speaker, I do not know how successful I would be in seeking assurances; however, I think the question would be well put to White Pass.

Mr. Penikett: Mr. Speaker, I would like to ask a supplementary on the same subject to the Minister responsible for, among many other things, Consumer and Corporate Affairs.

Will the Minister, in view of the high unemployment in Yukon, seek assurances from the company that it will place similar advertisements for career opportunities in the railroad in all Yukon newspapers?

Hon. Mr. Tracey: Mr. Speaker, I would be quite happy to talk to White Pass on this matter.

Mr. Penikett: Mr. Speaker, when the honourable gentlemen are speaking to White Pass, I wonder if they could establish if this advertisement is an indication that they will not now be seeking an application for abandonment of the railroad from CTC.

Hon. Mr. Tracey: Yes, Mr. Speaker, I will be talking to them about that too.

Question re: Airports/Responsibility for Liability

Mr. Byblow: I have a question for the Minister of Municipal and Community Affairs. It has come to my attention that there is some concern regarding who assumes responsibility under the Arctic Airport B and C programming in the event of air disasters, i.e. the Cranbrook incident.

I am led to believe also, that the B and C program is a Federal MOT initiated scheme, in turn, whose administration is handed over to YTG, who in turn, as in the case of Faro, have turned over administrative responsibilities, again, to the town. In view of the maintenance responsibilities of the Minister's Department, and in view of YTG's sub-agreement for the administration of the program, who does assume liability responsibility in these airports in the event of accident?

Hon. Mr. Lang: Mr. Speaker, the Territorial Government is the licensed operator for all Arctic B and C Airports in the Yukon including the Faro Airport, and as such, is liable for any claim that the Honourable Member alluded to. The Town of Faro is not liable as they do not hold the licence for the Faro Airport; the Government of Yukon Territory does, and if my memory serves me correctly, there is an agreement on file between this Government and the Town of Faro where liability is taken on by the Yukon Territory, so it indemnifies the Town of Faro as well as their employees.

Now, I should go further Mr. Speaker, because you are in a very grey area here, if there were an accident, it does not prevent an individual from suing anybody involved. If you recall the Cranbrook incident, I think, anybody that was at the Airport was sued just in case they were involved, so I do not think that anybody should be under the illusion that that saves them from the possibility of a suit.

Mr. Byblow: Is the Minister saying that there is no provision under any insurance agreement now, that eliminates the Town of Faro or its employees from being sued?

Hon. Mr. Lang: Mr. Speaker, the way I understand it, yes, to the extent of the agreement, it does indemnify the Town of Faro and the employees thereof. But all I am saying is that with respect to the actual concept of a suit that, under law, I understand that anyone can sue anyone and take it to the court and get a decision, but I do know that in the agreement, there is a special section that indemnifies the Town of Faro as well as the employees.

Mr. Byblow: In the same area or topic, could the Minister investigate the entire YTG frame of administrative reference in the program with special attention to personnel authority? The intent of the question is, Mr. Speaker, to give notice of a lack of local decision-making in administrative matters respecting the Program.

Hon. Mr. Lang: Mr. Speaker, I will have to take that question under notice. I am not really too sure what the Honourable Member is getting at, whether he wants all the decisions to be made in the Town of Faro. I do not want to leave any impression here, that we dictate the standards, it is the MOT, the Department of Transport, that dictates the standards for airports and the procedures.

Subsequently, the ultimate responsibility for the actual running of any airport is the responsibility of the Government of Canada as far as procedure and this kind of thing are concerned.

Question re: Land Claims Negotiations/YTG Involvement

Mr. Penikett: Mr. Speaker, I have another question for the Government Leader.

This morning the press reported that an attempt to resume Land Claims talks will occur tomorrow. Since the Federal/Territorial memorandum seems to be the stumbling block, will the Govern-

ment Leader say if this Government would be willing to withdraw from this agreement?

Hon. Mr. Pearson: No, Mr. Speaker.

Mr. Penikett: Mr. Speaker, since the CYI says amendments to this memorandum would get them back to the table, is the Government Leader at least prepared to agree to such amendments in order to get negotiations going again?

Hon. Mr. Pearson: Mr. Speaker, I read, like the Honourable Member, the article in the newspaper and that is all I have seen or heard of it.

Mr. Penikett: Mr. Speaker, I would like to ask the Government Leader if the memorandum continues to be an obstacle to negotiations, will the Government reconsider its position on participation in the agreement?

Hon. Mr. Pearson: Mr. Speaker, it is a hypothetical question, that I just cannot answer.

Mr. Speaker: That is correct.

Question re: Compulsory Automobile Insurance

Mrs. McGuire: Mr. Speaker, to the Minister of Consumer and Public Affairs, I direct this questions.

What steps have the Motor Vehicle Branch taken to insure enforcement of compulsory auto insurance for vehicles using Yukon roads other than Yukon drivers?

Hon. Mr. Tracey: I will have to take that under notice, Mr. Speaker.

Mr. Speaker, while I am on my feet, I will answer a couple of Mr. Penikett's questions from a few days ago.

One was in regard to the Special ARDA with regard to the application and being screened by the resource economist, the Special ARDA applications are received by the DREE staff on behalf of YTG, because we do not have a resource economist on staff.

We froze this position when came into power. However, on April 22nd, we will have the Resource Economist on staff.

Another question was in regards to the "Tutshi" and a report from the people who were doing the study. It was a study done by Mr. Bullen, of the Canada Coast Guard and the report was a short letter. He says that the boat is generally in satisfactory condition. Some areas would have to be looked at, such as planking. Some of the auxiliary machinery equipment is gone. The paddlewheel rudders and aft structure appears sound in all respects.

He says, "Based on the foregoing, it is feasible that the hull could be made seaworthy in order to carry passengers. However, the vessel would be subject to modifications in regard to subdivision and fitting of additional safety and fire protection systems with the limitation of not more than one hundred passengers. It is recommended at this time that you retain a naval architect to submit the necessary plans and data."

If we were to go ahead and try and make this ship seaworthy, that is what we would have to do. However, I told you that at this time we do not consider putting the ship back in the water.

Question re: ARDA Program

Hon. Mr. MacKay: Yes, Mr. Speaker, this is to the Minister of Tourism and Economic Development, Consumer and Corporate Affairs.

With respect to the ARDA agreement, which was signed by the Territorial Government on June 8th, 1978 with the Government of Canada, which provides for funds from Canada to assist in commercial development, some of the projects in this, Mr. Speaker, require fifty per cent of the funding to be supplied by YTG.

Can the Minister identify for us where money for this type of project is budgeted for this fiscal year?

Hon. Mr. Tracey: Mr. Speaker, there is no money budgeted for it for the very reason that we do not expect to have any programs that we would have to put fifty per cent in and if we did run into one, we would go to supplementary estimates for it.

Hon. Mr. MacKay: Could the Minister tell us on what basis they do not expect to have any projects under this section of the agreement which they signed and agreed to last year?

Hon. Mr. Tracey: Mr. Speaker, virtually 100 per cent of the applications are all under the Indian side of the DREE agreement and when they use Indian participation, it is funded by the Federal Government so we do not have to put any money into it. There is only one application so far that we have put money into and our share is \$12,000 and that is for some technical help to one of the businesses.

Hon. Mr. MacKay: Mr. Speaker, if no sums are budgeted, as the Minister says, will he give the House an assurance that any appli-

cations received under this section which requires fifty per cent funding will receive equal treatment and be welcomed as equally by his Department as any that require 100 per cent funding by Canada?

Hon. Mr. Tracey: Mr. Speaker, yes, we will take them all under consideration. There is no problem at all in that matter.

Question re: Plumbing Protection Ordinance

Mr. Penikett: Thank you, Mr. Speaker. I have a question to the Minister of Municipal and Community Affairs.

Last fall the government received a petition from contractors and tradespeople requesting a Plumbing Protection Ordinance for Yukon. Can the Minister advise the House if such legislation is not in the works?

Hon. Mr. Lang: Mr. Speaker, this is the first time that this has come to my attention and I will have to take the question under advisement.

Question re: Consumers' Association Grant

Hon. Mr. MacKay: Thank you, Mr. Speaker. This is to the Minister of Consumer and Corporate Affairs, Tourism and Economic Development. In previous years, this Minister's Department had, in response to a Motion passed by this House in November, 1977, made a small grant to the Consumers' Association here in Yukon. I would ask if it is the Minister's intention that this grant was omitted from the budget this year?

Hon. Mr. Tracey: Mr. Speaker, I think that if the Member will look back through the budget that we went through a few days ago, he will see that there is a contract in there for \$5,100 and some, I believe, for the Consumers' Association.

Hon. Mr. MacKay: Yes, I do not want to confuse the Minister. There are two amounts involved. There is one for "services rendered" and there also was an addition to that in prior years, a straight outright grant and it was to that I was referring, Mr. Speaker. My question was whether it was intentionally missed out or will the Minister be prepared to receive an application from the Consumers' Association for such a grant to continue?

Hon. Mr. Tracey: Mr. Speaker, I am not exactly sure. I think that the reason for giving this contract was partially to replace that grant; however, I will check it out and I will get back to him on it.

Hon. Mr. MacKay: I thank the Minister for that statement and when he is checking it out would he also check to see if the sum of \$500, which was paid before, cannot be improved upon this year?

Hon. Mr. Tracey: I did not hear that amount, Mr. Speaker.

Hon. Mr. MacKay: The sum of \$500 which was paid before, can it be improved upon if you decide to go ahead with the grant this year?

Hon. Mr. Tracey: Well, I will look at that too, Mr. Speaker.

Question re: Day Care

Mr. Penikett: Thank you, Mr. Speaker. I have a question to the Minister of Health and Human Resources. Last year, the Commissioner, in reply to a written question about day care centres said, "It would be impossible to bring in regulations establishing standards of day care without the necessary financial incentives to permit achievement of the standards."

I would like to ask the Minister what new information led the Government to change its position on this question?

Hon. Mr. Njootli: Mr. Speaker, last year I do not know how many Commissioners there were in Yukon, but this year it was the decision between myself and the Leader of the House that we would look at a Day Care Ordinance, with no strings attached to it, meaning to say that there would be no financing.

Mr. Penikett: Thank you, Mr. Speaker. In the same written answer the Commissioner said that the child care standards were in draft form. Can the Minister therefore, explain the delay in bringing this legislation to the House?

Hon. Mr. Njootli: Mr. Speaker, the Ordinance is now in the Legislative Programming Committee which will be leading up to the Executive Committee. It will be coming out during the fiscal year.

Mr. Penikett: Yes, Mr. Speaker, I would like to ask a final supplementary on this question and perhaps, the Minister might like to take it as notice.

I would like to ask if the Territorial Government is presently availing itself of all the federal funding available for day care purposes?

Hon. Mr. Njootli: Mr. Speaker, I will take that under advisement.

Hon. Mr. Graham: Mr. Speaker, in reply to a question asked by Mr. Byblow on March 20th, "Could the Minister provide this House with a financial and policy breakdown of his Department's input into native-oriented content in the school system at the instructional,

developmental and administrative levels?"

I have an answer which is quite lengthy; therefore, it will be in written form, but to qualify the answer which I have written, Mr. Speaker, I would like to explain that Mr. Byblow's question is very, very difficult to answer because of the fact that the Department of Education does not have a policy of breaking down programs and funding into non-native and native headings.

Education in Yukon is available to all Yukon children. There are some programs that are of more interest to native children, the same as there are some programs that are of more interest to white children, but that does not mean that those programs are created and undertaken strictly for those children.

Any programs that are presently available are available to all Yukon children.

Question re: Agricultural Policy of YTG

Mr. Penikett: Yes, Mr. Speaker, I have a question for the Government Leader. I would like to ask him briefly, who is the Minister responsible for agriculture and agricultural policy in his Government?

Hon. Mr. Pearson: Mr. Speaker, this would come under the jurisdiction of Mr. Tracey, the Minister of Economic Development.

Mr. Penikett: Thank you, Mr. Speaker, since various agriculture soil tests and other analyses have been completed, and considering the representation yesterday from the Livestock and Agriculture Association, when will this Government be formulating an agricultural policy?

Hon. Mr. Tracey: Mr. Speaker, we have been working on this. I suppose my Department has been working on this for quite awhile.

As I told the Member earlier on in this Session, a lot of this agriculture area has been looked at. There are some areas that are viable. However, sooner or later, most of these people are going to get frozen out and then they are going to come looking to the Government for help and we do not really know just where to go in it, so we are still taking a very hard look at it.

On this paper that came out from the Livestock Association, they want 50,000 acres to be released annually and that is approximately 78 square miles a year and they also, say that they want a 100 acres, that is 507 farmers every year and I do not think that we are ever going to be looking at that within 10 or 20 years, never mind one year.

Mr. Penikett: Mr. Speaker, notwithstanding, the details problems of the policy, would the Minister assure us that he will allow the representation from these potential frozen food producers, including the Yukon Livestock and Agricultural Association, in the formulation of his policy?

Hon. Mr. Tracey: Mr. Speaker, we are available to any organization if it can come up with good ideas. We are not the end all and be all of anything.

Question re: MLA's Vehicle Registration Plates

Mr. Byblow: I have a question for the Minister for Consumer and Corporate Affairs.

Yesterday, I raised the issue of specially designated licence plates, to Members of the Legislative Assembly. I never got a satisfactory answer. I repeat to the Minister, Mr. Speaker, what was the origin and the intent of these specially allocated licences?

Hon. Mr. Tracey: Mr. Speaker, I am sorry that the Member was not fully aware of what I said the other day, or I did not make myself clear.

The origin of this was in the Department of Consumer and Corporate Affairs and the intent is the same as it is in every other area of Canada, I would suppose, that political people have, as one other fringe benefits, a special licence plate. It is carried on here, the same as anywhere else.

Mr. Byblow: Could the Minister indicate who makes the numerical allocation and on what basis they are made?

Mr. Speaker: Order, please. The Chair has difficulty accepting the question; however, I will permit an answer.

Hon. Mr. Tracey: Mr. Speaker, I suppose it is done in the Department of Consumer and Corporate Affairs and if you were going to pick any number, you would start with the 'A' and there is a double 'A' so that was the number we picked. It is not any special number.

Mr. Byblow: I regret having to pursue the matter but could the Minister provide, in the next day or two, a list of people to whom the plates are issued and the respective allocation numerically?

Hon. Mr. Tracey: Mr. Speaker, I think if the Member wants to find out, he can go and check himself.

Question re: Trap Lines

Mr. Penikett: Mr. Speaker, the Honourable Member AA-17 has a question for AA-4, the Minister responsible for Tourism, Economic Development and all those other things. I would like to ask the Minister if the Government has a policy of compensating trappers when their lines are cut by the Game Branch or some other department of the Government due to conflict with growth or new recreational sub-divisions.

Hon. Mr. Tracey: Mr. Speaker, my Department is working on this right now. We realize that we have a problem and we are going to try and clear it up.

Mr. Penikett: Thank you, Mr. Speaker. I thank the Minister for his answer and would like to ask him if the Minister has looked into the case of Lloyd Reid of Tagish with a view to compensating for his losses as a result of a change in land use in the area.

Hon. Mr. Tracey: Mr. Speaker, when the study is done and when we do reach a conclusion, we will be looking at all of those; there is not only Mr. Reid in Tagish, or whatever his name is, there are people in other areas that are affected.

Question re: Water and Sewer Contracts

Hon. Mr. MacKay: This question, Mr. Speaker, is to the Minister of Municipal and Community Affairs. In a written answer to a question of mine, Mr. Speaker, his Department indicated that thirty-four out of thirty-eight water and sewer contracts in the last five years have been completed satisfactorily and the four remaining that had not been completed by contractors who are now out of business. In view of the fact that his policy recently announced restricting the bidding appears to be shutting the door after the horse has fled, will he undertake to re-consider this policy now?

Hon. Mr. Lang: Mr. Speaker, no, the Honourable Member is obviously attempting to misconstrue what the intent of the policy is. It is quite obvious, from this side of the floor and obvious from the information that I provided the Honourable Member, that water and sewer is an area that not only this Government but all governments across Canada are having problems with. If he reads the Legislative Return that I presented to him and goes back to Point 4, I believe, it states very clearly that the water and sewer contracts in most areas, you have to have bonding no matter if it is starting at a dollar or \$250,000.

Hon. Mr. MacKay: Thank you, I have read the Legislative Return thoroughly and my observations were based on that. My further question is that since this is a new policy the Minister has introduced, will he undertake to review this whole policy within a one-year period with respect to the fulfillment of contracts, both by Yukon and non-Yukon companies and with respect to raising the dollar limit from \$250,000 to say, \$500,000.

Hon. Mr. Lang: Mr. Speaker, our policies are always under review in the contracting areas, just to see exactly where problems are. I think that this Government has taken a very positive step forward.

The Honourable Member is obviously trying to misconstrue the whole situation. With the bonding requirement for jobs over \$250,000, if a contractor, for whatever reason, cannot complete that job, this will guarantee the sub-contractors their monies that they have put into that particular job.

If the Honourable Member's intent is to advocate that we do not put in bonding in this area and continue to allow contracts over \$250,000 without bonding, what he is saying is that he is not prepared to have the Government defend or protect the small sub-contractors that either provide fuel or some other kind of commodity to these contractors, so what happens if they do go broke, they must get sixty cents on the dollar.

So, Mr. Speaker, there is a very good reason for the policy and the intent of it.

Hon. Mr. MacKay: I must assure my Minister of Municipal and Community Affairs, I am not attempting to misconstrue any of his statements, I am attempting to correct his statements.

Mr. Speaker: Order, please. I believe the Honourable Member is making a statement.

Hon. Mr. MacKay: I apologize, Mr. Speaker, I was provoked.

The question I have is: will he consider other methods of securing the Government's position other than bonding with respect to putting up cash deposits?

Hon. Mr. Lang: Mr. Speaker, when you are getting into this area, all we are asking for is for a guarantee, an insured guarantee and that is exactly what we are asking for in the area of the water and sewer contracts. As far as I am concerned, we are doing the best we can for the local, small contractors here, in order to protect them so that if something does happen and a company cannot complete

the job, they will be guaranteed eventually of all their money. If the Honourable Member from the opposite side does not agree, he can stand up and say he does not.

Question re: Decentralization of Government Departments

Mr. Penikett: Thank you, Mr. Speaker, it is my pleasure to bring peace and order back into the House.

I have a question for the Government Leader. Last week, we were told that the Government was taking a quote "hard look" at moving one or two tourism people to Dawson City in order to decentralize its operation for the benefit of small communities.

Since it is Conservative Party Policy to decentralize government departments or portions of departments, can the Government tell the House what decentralization projects are now being investigated?

Hon. Mr. Pearson: Mr. Speaker, I am not actually sure what was said in respect to Tourism. We are looking at a plan for decentralization of vocational and technical training at the present time, Mr. Speaker.

Mr. Penikett: Mr. Speaker, I apologize to you, Sir, but I must ask if there are any other departments or branches which are being looked at now?

Hon. Mr. Pearson: Not at the present time, Mr. Speaker.

Question re: Student Counselling

Mr. Byblow: Mr. Speaker, I have a written question for the Minister of Education.

Could the Minister provide me with a policy statement outlining school authority in the area of counselling students involved in academical career opportunity, as well as with respect to social and personally oriented problems of students? As well, could the Minister indicate the number of school staff designated as counsellors with a school by school breakdown?

Question re: Educational Facilities at Whitehorse Correctional Institute

Hon. Mr. MacKay: This question is to the Minister of Justice and the Minister of Education in his dual capacity, Mr. Speaker.

The Whitehorse Correctional Institute has little or no facilities to assist inmates to continue or upgrade their education. In view of this, will the Minister, in his dual capacity of Minister of Justice and Education, have his two Department Heads meet on this problem and consider some courses of action to improve the situation?

Hon. Mr. Graham: Yes, I will, Mr. Speaker.

Hon. Mr. MacKay: When he is having this meeting, I would ask him to consider the broadening of the terms of reference of the study which is presently going on with respect to continuing education in Yukon, broaden these terms to include a look at the problems in the Correctional Institute.

Hon. Mr. Graham: Mr. Speaker, the study that is currently going on is for continuing education within the Yukon and, at this time, I think, we are too far into the study to ask them to take into consideration a whole new area of endeavor. I do not believe that we can do that at this time.

Question re: Transition Home Brief

Mrs. McGuire: This question is to the Minister of Municipal and Community Affairs.

Now that you have in your possession a letter of permission to table the Transition Home Brief, I will again put this question to the Minister. Has the Government recognized their obvious responsibilities of the contents of the said proposal and will this brief be tabled during this Session?

Hon. Mr. Lang: Mr. Speaker, I am just getting copies run off and I will transmit copies of the proposal to Members. The government has not made any decisions one way or the other in respect to the proposal.

Mr. Speaker: As there are no further questions, we will now proceed to Orders of the Day.

May I have your further pleasure at this time?

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

Hon. Mr. Lang: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Mayo, seconded by the Honourable Minister of Municipal and Community Affairs, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

(Motion agreed to)

(Mr. Speaker leaves the Chair)

COMMITTEE OF THE WHOLE

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

At this time we will have a short recess.

(Recess)

Mr. Chairman: I will call Committee of the Whole to order. I would like to welcome our witness, Mr. Wilson, with us this afternoon.

This afternoon we are on the First Appropriation Ordinance, 1979-80. When we concluded last day, we were working on Vote 15, Department of Health. We had passed Establishment 1500 and 1501; 1502 was stood over for some questions that were to be answered.

Mr. Penikett: I was just wondering, will the Chair be entering votes in any of these items while the Government is in a minority in the House?

Hon. Mr. Njootli: Mr. Chairman, yesterday, I was getting two questions at the same time from both sides of the House. It sort of confused me a little bit so today I come back with answers to the questions that I thought I heard.

I think, the questions were relating to the Dental Program found on Page 260 of the Main Estimates. The question was put to me: why was this lower? I think, the question was with regard to the projected estimates 1978-79 compared to this fiscal year which is a minus \$16,000 difference. The amount in 1978-79 was over-estimated.

The next question was: has there been a cutback in service? My answer to that is yes, there has been a cutback in service.

The next question is dental therapists, are you having trouble getting them? My answer is yes, and obviously, because the Federal Government has cutback the program. We now have eight dental therapists. I might have mislead the House yesterday. We have eight now and there will be a cut of one dental therapist on June 30th, 1979.

The House is going to ask me how I control these cuts. I do not control these cuts at all because these are under the National Health and Welfare Canada and there is a situation where you have a health transfer and at the present time, if we give the National Health and Welfare one man year plus the money to put a dental therapist in Teslin, for instance, the National Health and Welfare in Whitehorse would have to go to Ottawa to get that permission, whereas on the transfer, we would make the immediate decision here in Whitehorse.

So, I do not control the cuts that have been made by the Federal Government.

Regional Health Services, Mr. Chairman, on page 260, was a concern as to why this was lower. Again, I think that was in regards to the \$100,000-some that has disappeared in the Regional Health Services.

Maybe, I could give an example to the House here in regards to how this works, on page 260, Regional Health Services. The total cost of Regional Health Services is \$266,819. The Federal Government pays 31.1 per cent of that and the Territorial Government pays 68.9 per cent. So the Federal Government's share would be \$82,981 and YTG's share would be \$183,878.

The \$140,000 from the revenue which was not voted before in the YTG Main Estimates, there is a Dr. Mason-Browne, who is a psychiatrist who generates revenues.

The revenue from psychiatrist has never been included in revenue in previous years so that is why you have a lower figure than the Regional Health Services.

You might ask the question, why for instance, in Regional Health Services, the YTG pays 68 instead of 70 per cent. There are other areas, for instance, in the Pelly Crossing Health Centre, \$35,195 is the total for that area, and the Federal Government pays 30.6 per cent, the Territorial Government pays 69.4 per cent, so you go on and on like that with twelve health centres, eventually, if you total the whole thing, it would be 70 per cent funded by Yukon Territorial Government, 30 per cent National Health and Welfare.

Has there been cutbacks in regional health centres? No, there have not been cutbacks. Who has the say in how they are run; for instance, who is in control? The Federal Government has the say in how the regional health centres are run, the Federal Government is also in control of these centres.

Why have two programs been deleted from this Establishment? There have been no programs deleted from this Establishment, the programs have just been combined under Regional Services, Mental Health, Environmental Health and Health Education is combined under the Regional Health Services.

Why is this lower? There has been an over-estimation in last year's Budget. We did not use all the money.

Have there been cutbacks in the services? There has not been any cutback. There was going to be a cutback but then, I guess, the people in Pelly said, "We really need a nurse to visit us once in awhile." So we protected the community from National Health and Welfare in cutting that back.

Mr. Chairman, I think that is all I have on page 260.

Mr. Chairman: Establishment 1502, General Health Services.

Hon. Mr. MacKay: The Minister alluded twice to the fact that last year we over-estimated and so, therefore, the reduced figure this year is not a result of a particular reduction but more of a better budgeting. I am curious then, why the Main Estimates in 1978-79 is equal to the projected expenditures for 1978-79 if we over-estimated last year?

Hon. Mr. Njootli: Mr. Chairman, the Honourable Member, I think, is looking at the Main Estimates on page 261. There is a cutback on the budget.

Hon. Mr. MacKay: No, I was looking at page 260, Mr. Chairman. I will draw the Minister's attention to the 1978-79 Main Estimates, \$742,700. The 1978-79 which is projected to the end of this month is exactly the same amount, so if there was an over budgeting last year, I would have anticipated the projected to be lower.

Hon. Mr. Njootli: Mr. Chairman, there is \$78,100 decrease in the overall budget and that is fed through the Federal restraints.

Hon. Mr. MacKay: With respect, Mr. Chairman, I know the difference between 1980 and 1978-79. My question was, twice we have been told that we have over budgeted in 1978-79 and I am curious that if we over budgeted, why is the projected equal to the estimated in the first place?

Mr. Wilson: Mr. Chairman, the Federal Government does not use the same cycle that we do in terms of supplementary estimates. When we prepare our estimates, we have to obtain information from the Federal Government as to what they expected their expenditures would be.

However, because they are operating at a later time than we are, they were unable, at that time, to be able to give us what their supplementary was. The fact that we have not changed it is a result that they could not at the time give us any more information than their original budget.

Hon. Mr. MacKay: Do we now know what their supplementary is?

Mr. Wilson: Mr. Chairman, I do not believe we even know at this time. In terms of actual activities, it might be possible to obtain the total, but you must remember when the Federal department operates programs in the north in general, to a large extent, their budget is not as finely broken out as ours and where they may under spend in general health services they may, in fact, be over spending under the regional office or some other area in the northern area.

So, to obtain the actual information as to what they have spent or what they estimate to spend, would probably only be obtainable once the actual accounts were prepared, the financial accounts of Canada.

Hon. Mr. MacKay: Mr. Chairman, my question to the Minister is: if we do not know what last year's expenditures are, how do we know we over budgeted?

Mr. Wilson: Mr. Chairman, it is based on the estimates that were given to us. The individuals in Health and Welfare have been under the impression that they will not be spending the full amount. The actual amount I think, is yet to be determined, but because of that, they have had to go on revised estimates subsequently, downward. It is the same as when we prepare our Supplementary Estimates, we can have a pretty good idea at the time that we may not spend that amount and we try to indicate that in the Supplementals by showing it as a decrease in expenditure. In the federal process, this does not occur. The Federal departments are not required to show any decreases in expenditures, but only show any increases.

Mr. Byblow: I still have some difficulty sorting out the implications of this with respect to the health transfer. We have had confirmed that we are at a reduced level of services or programs and the Minister has indicated that the transfer has its own man years and money allocations. I would be led to understand that the man years and money allocations are tied directly into the existing offering of programs and service. I repeat again: are we not being short-changed if we are using a reduced level of services in our transfer financial allocations?

Hon. Mr. Njootli: Mr. Chairman, on the subject of health transfer, there is a part in this budget that relates to capital projects where you are trying to upgrade the standards of health all over the

Yukon, and trying to get all we can while the Federal Government is paying for some of it.

The health transfer brings with it the 260 people and all the man years that come with them. It is going to remain the same; it is just a matter of changing administration. Health Transfer is just a matter of administering health for the Yukon here, from Whitehorse, not from Ottawa. Nothing else is going to change. No short-change.

Mr. Chairman: If there are no further questions, should Establishment 1502 carry?

(Establishment 1502 agreed to)

Mr. Chairman: Establishment 1504, Subsidized Medical Travel. The information is on pages 262 and 263, for the sum of \$260,400.

Hon. Mr. MacKay: Mr. Chairman, in view of the Supplementaries, I asked a question about which I hope, we have the answer to now, with respect to the kind of treatment that appeared to be in the majority for which people were leaving the Yukon. I am wondering if you have any of these statistics available now?

Hon. Mr. Njootli: Did the Honourable Member refer to the kind of treatment that is to provide funds for medically necessary specified travel to centres inside or outside the Territory for patients suffering from diseases other than cancer, TB, or mental disease? That is the Travel for Medical Treatment Ordinance.

Hon. Mr. MacKay: That was my question, Mr. Chairman.

That was just repeating my question, Mr. Chairman.

Perhaps, we shall get out of this cycle. I will ask it again. The question I asked in the Supplementaries was: for what purposes people were traveling outside the Territory for medical assistance? The underlying reason for the question, was that it may well be that there is a need for some kind of specialist here that is not presently available and this would be one way of detecting the need, by seeing what kind of things people most often go outside for. That was the question, Mr. Chairman.

Hon. Mr. Njootli: There is a panel of doctors, who have as chairman, the chief medical officer and they are the ones that decide who is going to go where and why. But out of the Territory, there were 324 trips, averaging \$405 a trip last year, and that is \$131,200. Under this Establishment, the 700 trips within the Territory costing \$97 a trip adding up to \$67,900. Of course you have chartered aircraft of 53 trips averaging \$915 a trip which gives me \$48,500, and mileage 85,000 at fifteen cents a mile gives me \$12,700, and the total is \$260,400.

Again, with respect to the question, it reflects upon a panel of doctors who decides who is going to go where or why.

Mr. Penikett: Mr. Chairman, I would like to ask the Minister something further about these places to which patients from Yukon may be referred.

He has mentioned a panel of doctors, and I would like to ask him if it is this panel of doctors that makes the decision to send people to such places as Philippines, for example, or the Cold Mountain Institute?

If there are people being referred to institutions which are not, strictly speaking, medical institutions, I would like to ask on what authority they do so and if the Ordinances in the Territory permit people to be referred to such places which are not, strictly speaking, medical institutions.

Hon. Mr. Njootli: No, Mr. Chairman, we do not send patients across the globe. We send them as far as Vancouver and Edmonton.

Mr. Penikett: Mr. Chairman, has the Government of Yukon paid for any people to go to the Cold Mountain Institute in British Columbia?

Hon. Mr. Njootli: I am not aware of that.

Mr. Penikett: Mr. Chairman, I am not interested in holding up this budget for this purpose, but I would be interested in knowing, from the Minister, if the Government of Yukon has been subsidizing such trips and, if they have, perhaps, he could explain to me why they have been subsidized.

Hon. Mr. Njootli: We have not been subsidizing any trips unless it is under an ordinance.

Mr. Penikett: Mr. Chairman, I just want to make it clear that I have no intention of holding up the budget, but I would appreciate a direct answer to the question if it could be obtained at some point.

Hon. Mr. Njootli: No, Mr. Chairman, the answer is no.

Hon. Mr. MacKay: My question was a fairly general one but it was essentially of the same nature and I will repeat it and, again, I am not going to hold up the budget for it, but I would like to get some statistics from the Minister as to what purpose these people go

outside for. What was the \$131,200 spent on last year? I do not want to know who it was or what was particularly wrong with them, but I want to know the categories of ailments that take people outside.

Hon. Mr. Njootli: Mr. Chairman, there are some diseases in the Yukon Territory where we cannot accommodate for them, because we do not have specialists here in Yukon. So, we send them out on emergency trips and we do have specialists in Yukon only on visitation. They come up three or four times a year to look at the patients here, in Yukon.

Mrs. McCall: Perhaps, I could add just a little to what the Minister is saying. I think, problems with newborns; for instance, cardio-vascular, special operations, whatever, I think, this Board that we are speaking about, whenever they feel there is a need for a specialist here, they encourage one to come and be here fulltime, otherwise they come on a visiting basis.

Hon. Mr. MacKay: I would like to thank the Member on the Upper Bench for that answer.

(Establishment 1504 agreed to)

Mr. Chairman: Establishment 1505, Alcoholism and Drug Abuse, \$381,000.

Hon. Mr. MacKay: I wonder if the Minister can tell me if he supports Alcoholism and Drug Abuse, Mr. Chairman.

Hon. Mr. Njootli: Yes, I do.

Hon. Mr. MacKay: Thank you, Mr. Chairman. With respect to this Budget then, the grant that is included in here is to pay \$80,000 to the Crossroads. Could the Minister tell me if that was the amount requested from Crossroads?

Hon. Mr. Njootli: I have to take that under advisement, Mr. Chairman. However, last year, Crossroads had \$90,000; this year they were allocated \$80,000 as part of the restraint.

Hon. Mr. MacKay: When the Minister is seeking answers on that question, could he determine if there is a formula by which the Government calculates this grant that relates to the number of bed-nights for example, that Crossroads has, in other words, the amount of service they are providing and whether the cut-back may relate to a decrease in the use of Crossroads.

Hon. Mr. Njootli: Crossroads has eighteen beds for males and nine for females. Now, we have eleven unoccupied and had 138 people treated in the last fiscal year, 1978-79. Stays were a minimum of thirty days under treatment; some stay longer. The estimation last year was \$90,000.

Mr. Penikett: Yes, Mr. Chairman, I would just like to ask a general question of the Minister. Obviously, the alcoholism and drug abuse programs are much-needed in the Territory; they are obviously very costly but at the same time essential. I am wondering if the Minister's officials have had a chance to review the programs they now have in place, and can report to us on the relative success of those programs that are in operation. I have in mind the government's view of what the Crossroads program, the employee program, the public information programs, et cetera.

I would like to know if the Minister has any views as to how successful they have been in various areas or whether some have been more successful than others or some that have been perhaps, disappointing.

Hon. Mr. Njootli: Mr. Chairman, all of these programs are now under review, especially Crossroads, the report will be out soon. As far as the Detox is concerned, we do have a number of people, seven empty beds there now, with one co-ordinator and nine recovery unit people. These recovery unit people are just counsellors. Their job is to admit people who have drinking problems and they do counselling; they do a log book on these people that they take in; they assess them and refer them to Phase II which is Crossroads, who will give them a job somewhere in the Vocational School.

If you are concerned about the differences, as I am concerned, it would cost a patient in the hospital, who has drinking problems, \$185 every day.

On the other hand, if a person is put in jail, it would cost \$47 per day. At the same time, if you put the same person in Crossroads, or Detox it would cost \$39. So to me, if I was concerned about the taxpayers' money, I would pick either jail or Detox.

Mr. Penikett: Mr. Chairman, I thank the Minister for his answer but he has not completely answered my question. I wonder if I could frame it in a different way.

Are there any programs in this area that the Minister, which the Minister has, can point to with some pride and some satisfaction that they are having great success? There is some, which indications are, at the moment, that perhaps, they are not having the kind of impact that was originally intended.

Hon. Mr. Njootli: Mr. Chairman, the reason why all these programs are under review is because people are concerned about the number that are drinking on the streets and I come out with statements saying that there are eleven empty beds in Crossroads now, and seven in Detox and how come these people are not in there?

This is why these programs are under review and I would hope that the Honourable Member can understand that. I will come back with the answer sometime during the fiscal year.

Mr. Penikett: Yes, Mr. Chairman, I did understand the Minister's answer. I hope, he will forgive me if I, from time to time, find him not completely satisfactory.

Hon. Mr. MacKay: Just on the subject of this review that is going on, when was this review undertaken?

Hon. Mr. Njootli: There are different types of reviews. One review is with regards to the drinker's relationship to rehabilitation, another one would be with the drinker, the Magistrate, another would be with the Alcohol Drug Services, Yukon Native Brotherhood, RCMP, another would be the Yukon Liquor Corporation and Communities. Now, all these reviews should come up with something that is a duplication of reviews going on, so what we are trying to do, is we are trying to assess them so we could come out with a logical solution to these problems.

Hon. Mr. MacKay: Can the Minister tell the Committee when he anticipates all these reviews to be completed?

Hon. Mr. Njootli: Well, Mr. Chairman, if I had been working like I have done, I could probably come out with the reviews in a two month period.

Hon. Mr. MacKay: Mr. Chairman, is that two months from now or two months from the start of the review?

Hon. Mr. Njootli: I was hoping that the Honourable Member would not ask that. It would take two months to do it. For instance, I used to have a drinking problem myself. I reviewed myself in one day.

My department is going to review, say, the Youth Service Centre and I said, in Vote 5, that it would take six months to review that alone, but all these programs with all the people working in it, I think, would take two months.

Hon. Mr. MacKay: I would like to indicate to the Minister that, in the course of his reaching conclusions based on reviews, if his department were to come up with some need to spend some more money in this area, that I am quite sure a supplementary from him in an ensuing year, based on the results of his reviews, would not go unrewarded, shall we say from this side.

I think that just to reiterate some concerns I mentioned earlier, that while Yukon is reaping the benefit of \$4.3 million worth of profit from liquor, that the miserable amount that we, in comparison, spend on helping people who have problems with that drug is fairly appalling and it amounts to less than two per cent if you add the Detox Centre, the Alcohol and Drug Abuse budgets together.

I think, at this time, there seems to be a growing awareness in the community of the problems of alcohol, mainly because people keep on trying to put it out of sight and in the back streets and, I think, that before we lose sight of all these people we should be taking some very great efforts to help them.

While I am on my feet, I would like to ask about the amount under Community Program for Professional and Special Services for \$70,500.

Hon. Mr. Njootli: Could you repeat that question again, please?

Hon. Mr. MacKay: Under Primary 20, page 265, there is an amount of \$70,500 for Professional and Special Services. Could I have a breakdown of that, please?

Hon. Mr. Njootli: Yes, under Community Programs, the \$70,500, this money is devoted to the Community Alcohol Worker Program. There are twelve workers on fee for service contracts. Fee for service salary is \$4,752 for twelve workers is \$57,024. These people would not work without benefits so we gave it to them, UIC, CPP, \$1,209, and vacation pay at six per cent, \$3,420. Workers' travel, \$2,000, restraining costs which is composed of travel, \$1,500; accommodation \$2,300; daily expense, \$3,000. The basic training for Community Alcohol Workers Program is now completed and training is now reduced to refresher courses.

So the total cost of the Community Alcohol Workers is approximately \$70,500.

(Establishment 1505 agreed to)

Hon. Mr. Njootli: Mr. Chairman, I was going to inform the House of more information on the Alcohol and Drug Abuse because there seems to be a large interest in the program and there is not enough information put out to the general public, I thought that maybe, now, is a good time to do it.

I want to inform the public that there is an Alcohol and Drug Abuse service which is a division of the Department of Health and is responsible for the provision of treatment, community education, public information and the coordination of alcohol and drug services in the Yukon.

All of the communities are covered by Alcohol and Drug Services' network of services; its central office is located in Whitehorse and there are regional offices in Mayo, and Faro.

To provide direct access to services in communities, a program called the Community Alcohol Worker Program was developed. This program recruits, with the help of local organizations, local people which Alcohol and Drug Services trains and provides with a fee for service approximately \$5,000 to provide services on a part-time basis.

There are community alcohol workers in Watson Lake, Upper Liard, Teslin, Carcross, Dawson City, Ross River, and Old Crow. The worker in Carmacks recently resigned. The program is available to all communities and will be phased in to the remaining communities within the next few months.

In addition, Alcohol and Drug Services' professional counsellors travel to all communities to provide professional services. For example, one week a month in Dawson City, six days, a month in Pelly Crossing, eight days every six weeks to Old Crow, et cetera. In addition to treatment services, the counsellor provides community education and public information programs.

The Alcohol and Drug Services also operate the Detoxification Center in Whitehorse and that Detoxification Center provides a setting where persons with alcoholism problems are sobered up, provided counselling and referred for further treatment. The Detox Center also operates a non-residential program for sober ex-residents who can return for counselling and follow-up services. Approximately 75 sober individual ex-residents use this service each month. The Detox Center has proven to be an effective program for working with persons who are publicly intoxicated.

Alcohol and Drug Services provides a grant to Crossroads. Crossroads, a residential treatment center, is operated by a board of directors. The demand for Crossroads' services is under review.

The Alcohol and Drug Services has approximately, 750 opened files on clients, approximately, 200 active individual clients per month. Alcohol and Drug Services has approximately, 25 new clients each month.

Those are some of the concerns that I think, the public should know on the services that we provide in this Government.

Mr. Chairman: Establishment 1506, Detoxification Centre, \$181,000.

Hon. Mr. MacKay: I was not sure if the Minister gave us the figures for the number of people that this place can accommodate and the vacancy rate. Did you give us that before, or can you repeat it if you did?

Hon. Mr. Njootli: This morning I received information from Crossroads. There were 138 people treated and the Detox have an average of 15 people.

(Establishment 1506 agreed to)

Mr. Chairman: Establishment 1507, Rehabilitation Services, \$753,500.

Hon. Mr. Njootli: Mr. Chairman, can I just give a little review on this?

The scope of the clientele has changed over the last few years in rehabilitation. Previously, a large majority, 40 per cent were mentally retarded. Presently, there is pressure from Mental Health-Federal, Human Resources and Alcohol and Drug Services to serve the mentally ill, alcoholics and long-term unemployed. Other clients include the physically handicapped and emotionally disturbed. A majority of the referrals came from Human Resources, other referrals came from Mental Health-Federal, Alcohol and Drug Services, Indian Affairs, physicians, families and so on. Approximately, 50 per cent of the clients are native with over 40 per cent status.

Hon. Mr. MacKay: Yes, the Minister indicated there was pressure from the Federal Government. What kind of pressure was he referring to?

Hon. Mr. Njootli: There are programs that are to be made available to people with problems and there are pressures on the Health Department to try to expand the rehabilitation so that they can treat these mentally ill people, and alcoholics, people with long-term illnesses. Up to now, we have been under restraint and despite that fact we are trying to expand. As a matter of fact, I think, we have a proposal in for a new building.

Hon. Mr. MacKay: I take it that the offer of help that is being received from the Federal Government implies some cost-sharing

by the Territorial Government and that is why it is being resisted?

Hon. Mr. Njootli: No, I have not any information on that. Everything on this page 268, the \$753,000 half of it is recoverable from National Health and Welfare.

Hon. Mr. MacKay: Just to clarify then, I thought we were discussing new programs, that they were being put forward by the Federal Government to assist the mentally retarded and the people suffering from chronic alcohol problems. Would they be cost-shared fifty per cent as well, or are they going to be fully funded by the Federal Government?

Hon. Mr. Njootli: Yes, they are cost-shared. Everything is cost-shared under this program, Mr. Chairman.

Hon. Mr. MacKay: Well, I might recommend to his department that they look very seriously at taking up the offer if the programs look as if they are going to help these kind of people.

With respect to the training budget for some half million dollars, could we get a description of what kind of activity is carried on? That is Primary 20 and \$514,500 under Training, page 269.

Hon. Mr. Njootli: Mr. Chairman, the Rehabilitation Services here in Yukon do not have the facilities to treat certain individuals. Under the Rehabilitation Ordinance, we do have to send these people out to the respective areas.

Mr. Chairman, I am going to read these places where these people are referred to. Because of the length of time that I have spent in this department, I have not been able to run around and find out where these places are.

So, in Woodlands we have two clients for 365 days, \$35.75 per day, we pay \$26,548 for those two people. There is a place called Butters. We have one client there, for one year, \$21,736. Tranquille, a place called Tranquille, we have one client there for one year, \$14,640. Alberta Hospital, we have one client there, \$29,083. Riverview, one client, \$19,863. William Roper Hall Home, one client, \$34,675; IVIK Enterprises Group Home, six people, \$83,220; Carlick (Room and Board), there is one client there, \$2,400; Bergman's, one client, \$5,475; Johnson, one client, \$2,580; QUESTAR Group Home, six individuals, \$83,220; Grande Prairie Regional College, two individuals, \$500; Dyck's, one person, \$5,475; Yukon Vocational School, 12 people, \$56,800; Yukon Rehabilitation Centre, we have 25 individuals, \$113,040; Dogwood Lodge, one person, \$6,205; Variety Farm Training Centre, one person, \$9,125.

All of these do not include Primaries 21, 31, 35, 50 and 52 on page 269.

It provides me with a total of \$515,585.

(Establishment 1507 agreed to)

Mr. Chairman: Establishment 1510, Administration. The information is on pages 270 and 271 for \$455,100.

(Establishment 1510 agreed to)

Mr. Chairman: Establishment 1511, Ambulance Services for \$379,600. The information is on pages 272 and 273.

Are there any questions?

Hon. Mr. MacKay: I would be curious to know why there is a decrease in dollars from the projected 1978-79 to the budgeted 1979-80?

Hon. Mr. Njootli: The decrease there is that before we used to be able to budget for overtime, but in this new year, we are not allowed to budget for overtime.

Hon. Mr. MacKay: I would be curious to know the reasoning why you do not budget for overtime this year when you have in the past?

Hon. Mr. Njootli: Mr. Chairman, I think, the reason behind that is because it has been transferred from one place to another.

Hon. Mr. MacKay: That is an answer, but it really is not an answer. Is it this Department's policy not to budget for overtime, whereas it was the policy of the Department from which it came to budget for overtime?

Hon. Mr. Njootli: The overtime business here, in the ambulance, you would never know what time there would be an emergency occurring, or how many times during the year so, you know you could vote for ten billion dollars there, you know, but this is reasonable. We could submit a supplementary. There is some overtime there that does not meet the budget.

Mr. Wilson: Mr. Chairman, in essence, we do not budget for overtime and the overtime does come through by means of a supplementary. It does highlight what overtime funding is required by this means.

Hon. Mr. MacKay: Has it been the Government's policy all along, not to budget the overtime, then?

Mr. Wilson: Mr. Chairman, that is correct, no departments

budget for overtime.

Mr. Byblow: Just for the sake of information, why do we have the City of Whitehorse Ambulance Service listed in this Establishment and other ambulance services elsewhere?

Hon. Mr. Njootli: I take it that the question is, is the Whitehorse Ambulance Services included in this budget?

Mr. Byblow: I will rephrase it this way: why is the City of Whitehorse Ambulance Service in this Establishment and ambulance for other communities in a completely different department?

Mr. Wilson: Mr. Chairman, all ambulance services are under this Establishment. The actual wording should also, include the other communities. For example, we do have ambulances in various communities throughout Yukon and the dollar amounts in here, provide for that.

(Establishment 1511 agreed to)

Mr. Chairman: Establishment 1515, YHIS, \$5,901,000.

Are there any questions?

Hon. Mr. MacKay: Yes, I am curious to know, I cannot see it here yet, whether there is any revenue coming in from this hospital, and if so, where it is reflected? I am thinking of patients who stop on the highway and so forth.

Mr. Wilson: Mr. Chairman, the budget for YHIS is done on a net basis. Any revenues to the hospitals are netted against the total cost of those hospitals. It is a budget review basis they are on, a net budget basis.

For example, Whitehorse General, where a charge against YHIS would be approximately \$3,400,000, the actual cost to operate that hospital would be higher than that, then they net the revenues that they receive for in-patient or out-patient services to allow for a net cost that is paid through this Establishment.

Hon. Mr. MacKay: Thank you, Mr. Chairman. Perhaps, we could have a breakdown of the various hospitals and the cost of each.

Hon. Mr. Njootli: Mr. Chairman, under the budget review process, the Whitehorse General Hospital has a budget for \$3,410,039. The Mayo General Hospital has \$242,835; Watson Lake Cottage Hospital has \$279,671; and Faro General Hospital has \$153,758. The Father Judge Memorial Hospital has \$163,393 and the Old Crow Nursing Station has \$65,867. The total for that is \$4,315,600.

In-patient services to Yukoners in hospitals "outside" are estimated at 7,435 days at \$185 per day for \$1,375,400.

Hon. Mr. MacKay: Does the Minister have any comparative costs for the number of days in Outside hospitals for previous years with him?

Hon. Mr. Njootli: No, I do not, Mr. Chairman.

Hon. Mr. MacKay: Perhaps, when it is convenient, I could get the last two years as well, but not to hold up the budget.

(Establishment 1515 agreed to)

Mr. Chairman: Establishment 1525, YHCIP for \$2,368,900.

Hon. Mr. MacKay:

I think, we covered some of this area in the Supplementaries, Mr. Chairman; however, I would be interested to know how our health insurance scheme compares with southern areas with respect to the cost to the subscribers and also, whether or not there is any evidence so far in the Yukon of doctors' going out of the scheme because of insufficient remuneration.

Hon. Mr. Njootli: I do not have the statistics with me but I can assure the Member that the Yukon premium rates are lower than some of the provinces outside but I also, have to assure the Member that it is still higher than some of the provinces despite the fact that the cost of living up here is higher.

Hon. Mr. MacKay: It seems to me we covered part of it. I believe, negotiations are presently underway with respect to reviewing doctors' fee levels.

Hon. Mr. Njootli: Mr. Chairman, there are negotiations that have been underway, but due to the fact that this has not reached Executive Committee yet, I am not prepared to go into details on the negotiations.

Mr. Chairman, you will note that Yukon premium rates compare more favourably even after these increases with five jurisdictions, which have premium-operated plans. This is for information: for a single individual in BC the premium is \$90 compared to \$78 for a Yukoner. A single person with one dependent in BC would pay \$180 compared to \$150 in Yukon.

Someone with two dependents would pay \$225 in BC compared to \$168 in the Yukon. In Alberta you have a single person paying \$63.75; in the Yukon paying \$78. For a single person with one dependent, \$126 in Alberta; \$150 in the Yukon. For two persons and dependents would be \$126.90 in Alberta compared to \$168.

These are the assumptions that I made before, that the rate is higher in Yukon than Alberta and at the same time BC has a higher rate than the Yukon despite the fact that there are increases in the cost of living.

(Establishment 1525 agreed to)

Mr. Chairman: I refer the Members to page 279 and 280 which are for information only. If there are no questions on those two pages we will continue on to page 281, which is Capital.

It seems there are no questions, Establishment 1550, Detox Centre Equipment, \$6,000.

Hon. Mr. Njootli: Mr. Chairman, the capital for Detox Centre equipment is for drapes, appliances, floor coverings, the floor in the Detox is in a very sad situation, so we decided we should put a budget in for capital this year.

(Establishment 1550 agreed to)

Mr. Chairman: Establishment 1555, Northern Health Services Construction, \$131,000.

Hon. Mr. Njootli: Mr. Chairman, you will note that there is a \$30,000 decrease in this, mainly because the money has been re-voted for remodeling the Faro Hospital and \$31,000 for renovations and improvements to Haines Junction Health Station.

(Establishment 1555 agreed to)

Mr. Chairman: Establishment 1560, Northern Health Services Equipment Replacement, \$35,000.

Hon. Mr. Njootli: Mr. Chairman, again here, we have a decrease of \$50,000 from last year, but the \$35,000 that we voted for was the capital for the Northern Health Services Equipment Replacement for replacement of minor medical equipment in all the nursing stations, equipment was replaced when broken, worn out or outdated. For example, vehicles for the public health nurses, public health inspector, X-ray furnishings, scissors, clamps, et cetera.

We replace three or four vehicles every year.

Hon. Mr. MacKay: The Minister said he replaces three or four vehicles every year. Does the Department of Health maintain a separate fleet from the central pool?

Mr. Wilson: Mr. Chairman, these are Federal assets, they are separate from ours.

(Establishment 1560 agreed to)

Hon. Mr. Lang: I wonder if Members would permit us to go to Vote 18 and go into the Yukon Housing Corporation Project. We have the Chairman of the Housing Corporation as well as the General Manager. Perhaps, we could finish that Vote because he has other commitments for the next day or two.

Mr. Chairman: Fine, I will call a short recess while you get the witnesses. We will have a recess for ten minutes at this time.

(Recess)

Hon. Mr. Pearson: Mr. Chairman, if I may be permitted, I have the answer to a question asked by the Honourable Leader of the Opposition yesterday, in respect to small business loan accounts.

I would like to report to the House that as of January 31, 1979, there were 55 loans outstanding. The total principal amounts of the loans was \$958,832.59; the number of loans in arrears is twenty-nine; the total principal and interest in arrears is \$379,137.48; the number of loans in the hands of lawyers is twenty-one; the total principal and interest of those twenty-one loans is \$281,735.51; and the number of loans in arrears, but being looked after by the Department of Finance is eight. The total principal and interest of those eight loans is \$97,401.97.

Mr. Chairman: At this time, I would like to welcome Mr. John Owens and Mr. Larry Turner as witnesses. We will be doing Vote 18, Department of Yukon Housing.

Hon. Mr. Lang: Mr. Chairman, I would like to make a few comments. The reason I have asked witnesses to be here is because of the fact that the area of housing is, under legislation, a corporation. Mr. Owens is the Chairman of the Housing Corporation and Mr. Turner is the General Manager.

I would like to make a few comments in respect to the Housing Corporation, if I could. The role of Government in housing in Yukon is changing significantly. Originally, the Yukon Housing Corpora-

tion was formed to deal with a substantial shortage of adequate housing. At the time, the private housing market was virtually non-existent outside of Whitehorse and the Whitehorse market was just beginning. Since that time, we have seen the evolution of a strong market in Whitehorse and a beginning of markets in other communities.

Initially, housing policy had only to be concerned with the provision of housing with operational guidelines being based on national social policy. Today, we are having to consider housing policy in the light of an evolving and fragile private market. We also, have to wrestle with the rationalization of national, basically urban, housing policy to the Yukon situation.

As well, the Federal Government was in the process of pushing changes through in the National Housing Act which would affect the ways in which funding was available to the provinces and the territory.

Basically, the objective of this Government in the area of housing is to ensure that all Yukoners have the opportunity to have access to good, adequate housing. Naturally, it is this Government's feeling that where possible, private enterprise should fill much of this role. However, the government does have a responsibility to provide housing for those needs that cannot be met privately and I am sure all governments in years to come will have that responsibility.

In the coming year, one of the main focuses in the area of housing will be the provision of housing for senior citizens. As we are all well aware, costs are escalating and the people hardest hit are those on fixed incomes, such as pensions and Old Age Security.

In the coming year, we are looking at building forty to forty-five housing units for our seniors. As well, use of the rent supplement program will make additional units available. Today's senior citizens have made and continue to make their contribution to the progress of Yukon and have every right to expect to be protected from some of the adversities of today's economic situation.

As well, in the area of home ownership, this Government feels a strong commitment to support the concept of individual home ownership in Yukon. As the Honourable Member from Whitehorse West pointed out in his reply to the Speech from the Throne, there is a definite cause for concern over the cost of owning a home.

Work has been underway for some time now, exploring alternatives to assist families to enter the arena of home ownership. I am hopeful that we can bring forward a program which will help alleviate the hardships which are encountered when one purchases a private home.

Of course, Mr. Chairman, this will depend on the financial situation of the Government, but I am hopeful that we will be able to bring forward a program for the deliberation of the Legislature sometime later on this year.

In other areas of home ownership, the Yukon Housing Corporation is entering the fourth year of a five year agreement for the Rural and Remote Housing Program. The capital aspect of this program has not been overly successful in the past, with only four units constructed to date. However, other parts of the program, delivered through the Joint Management Committee made up of the Yukon Housing Corporation, Central Mortgage and Housing Corporation and Yukon Association of Non-Status Indians have met with positive results.

These other facets of the programs have, to date, included the federally funded Emergency Repair Program and the non-profit housing project in Old Crow, which was funded by CMHC and to which Yukon Housing Corporation is contributing a portion of the operating deficit.

In terms of the on-going administration of the Territorial Housing Policy, a major consideration in the up-coming year will be the negotiation of new agreements under the provision of the National Housing Act. As a number of provinces have already signed global funding agreements in anticipation of a revised Act or under special sections of the existing Act, the coming change is inevitable.

I would like to also, further point out, Mr. Chairman, during the course of the supplementaries, a number of questions were asked. Number one was in respect to the number of housing units that we administered. The number is 511. I told the House that I thought it was between 500 and 600, but the total number is 511.

In respect to the demand for Yukon Housing Corporation accommodation, there is a waiting list in the various communities and it is not of any significant magnitude. I do not think that I should go through the list as I think it would just take the time of Committee.

It should be pointed out that strictly relying on applications as a basis for demand can be misleading in either direction. Studies in

British Columbia and Alberta have shown that the waiting list for housing substantially overstates demand.

As a general statement, it can be said that it would appear that the demand for housing is in hand in the outlying communities, while in Whitehorse further investigation is warranted in regard to the demand in addition to senior citizen housing.

Mr. Chairman, the major capital request to the Legislature for this year will be seeking permission of all Members to go ahead with the significant capital outlay of money in the area of senior citizens' housing.

Mr. Penikett: Mr. Chairman, I would like to thank the Minister for his statement and generally, commend the goal of expanding the housing for senior citizens. I think, in the next three or four years we are going to probably have to, as he says, keep a close eye on the situation in the private market as far as housing prices are concerned. As we get closer to the days of pipeline construction, we may end up having to debate the merits of increased public expenditure on the housing area, not only in land, but perhaps, increases in investment in the division of housing to increasing the numbers of people in the community.

I would like to ask either the Minister or the officials several questions. These were matters that we did deal with when we were discussing this operation in the supplementaries, and they are some of the Federal Housing Programs that we may not be able to participate in for reasons of a flaw in their design. I think of the AHOP program, which the Minister has mentioned, which may have been designed for a urban situation and which may have had income levels and average house prices, which were just not applicable to our situation. I would like to hear some comment on that.

Also, I would like some comment on how we, in the future, might be able to make more effective representation to the Federal Government when they are developing such programs so that we can participate in them properly.

Another question I would like to ask and I do not ask this in a provocative way, but I would like to get some kind of feeling from the Minister and the officials here, about this. That is that I was reading some reports, from some of the other Provincial Housing bodies, and I noticed Manitoba; for example, has one man year for approximately, every 100 houses they administer, our situation is about 26 to 1.

Now, it may well be that we do not have a very large number of houses in under our care yet, and that a corporation like this requires a certain minimum of staff. I think that probably makes sense, but I would like to ask the officials, when we get to it, if we will be able to maintain the present staff level as a number of houses, for which that corporation is responsible, increases over the next few years.

With that, I would just conclude my general comments, Mr. Chairman.

Hon. Mr. Lang: Mr. Chairman, I will make a few comments in respect to what the Honourable Member was requesting concerning the Federal programs.

There has been one or two Federal programs that have been available that require municipalities to participate in and, for whatever reasons, the municipality chose not to participate and; subsequently, it was offered without the municipality taking part; therefore, we could not utilize the program.

I should point out that one vehicle that has helped is the advent of the Minister of Housing Conferences and I go back to my experience in the previous administration. We were down at a Housing Conference and I had the opportunity of meeting the Minister of Urban Affairs for the Government of Canada. I put to him the problems that we had in respect to the insulation program, for example, that the date that they had set nationally was, I believe, 1945 or before and it was not appropriate to the Yukon situation. I put the question to him whether or not they would be prepared to raise that date and; subsequently, they did up to 1977, which I think, has been of great help to anyone who has their own house and does have problems with their insulation.

In respect to the administration, Mr. Chairman, there has not been a change in the numbers of people in the administration for three or four years now. I think that the Honourable Member touched on it. One of our problems is our geography, we are spread out over 270,000 square miles. It is as if, for example, you took the Department of Education, where you have 5,000 students and you then, had them all in one area. At that point you would not need the administrative staff that is so necessary in the area of Education. It follows through with the Housing Corporation budget.

Hon. Mr. MacKay: Yes, just in general debate, I am pleased to see

the Housing Corporation turning its attention and its major focus on to housing for senior citizens as this seems to be an area of some pressing need in our resolution on senior citizens a week or so ago.

The point was made, and I think, it is probably worth making again at this time, that there seems to be a couple of things the senior citizens prefer when housing is contemplated. The major one seems to be that if they are going to be relocated, they would like to be relocated to a place where they are still within walking distance of shopping and downtown facilities, and building an apartment complex in Hillcrest or some such place where it is a little difficult for them to walk downtown would not be recommended.

The other point is one which I firmly believe in. I really do not think that the best thing to do is to build another Macauley Lodge kind of place. The people are all of the same age, at the same stage in their lives and consideration should or could be given to breaking up the units. If we are talking about 40 to 45 units for senior citizens, that consideration be given to placing them in the context of other family housing that has been built, so that the older people will still be able to mix with the younger people. They will still be able to have neighbours of different ages in a natural human cycle, where the young looking after the old can continue. I think that if we can build that kind of flexibility into our housing schemes for the senior citizens, it would really work well.

I will have quite a number of questions, I guess, as we go through, but I will conclude my general comments on that note.

Mr. Byblow: Mr. Chairman, I would be remiss in my obligations to my constituents if I did not rise on this Establishment. I think, it has been a historical precedent for a lot of problems in establishing public housing in Faro through the Yukon Housing Corporation over the years.

I would probably make note that certainly, the attitude has improved in that we have a more favourable response to public housing from Yukon Housing Corporation in the establishment of public housing. Perhaps, this will come about through the debate on the item-by-item breakdown of this Establishment. I would like some clarification from either the Minister or the witnesses as to what is policy with respect to public housing in outlying communities. Who sets priorities; who makes decisions; what kind of demonstrated need do you have to have?

Perhaps, this could be brought out in the course of debate over this item. At the same time, maybe this would be the opportunity for some response to a question that has been raised repeatedly in the past, why is Faro denied a place on the board of directors with Yukon Housing where it is hoped that some decision-making input could be made?

Just in general, I am not complaining bitterly, I am making note that there has been a significant improvement but we are still in a very critical housing situation in Faro and this is going to have to be addressed and I will be raising the matter through the years.

Mr. Penikett: I just think that probably it is worth pointing out to the Member that on an MLA's salary, that probably he would qualify for public housing in Faro.

Hon. Mr. Lang: Mr. Chairman, I am going to refer to the Chairman of the Board with respect to the mechanism of setting priorities.

I should point out that in the final analysis, the buck stops right here. The Housing Corporation hears the various proposals for submissions and this kind of thing but, in the final analysis, it comes down to money.

With respect to denying anybody a position on the Housing Corporation, I think that is a pretty strong statement to make. The point that is made is, in respect to these types of appointments, you try to have appointments from the Whitehorse area but, at the same time, members-at-large from the outlying communities, and I think that the make-up of the Yukon Housing Corporation definitely reflects that.

The other point I would like to raise in respect to the comments from the Member is that the area of Faro, with respect to housing, is that one of the problems is there has been almost "disincentives", if you like, for people to build their own homes. With the policy of the mining company with respect to housing, it has made it very difficult on behalf of this Government to try to accommodate the situation and still charge, what we would call, comparative market rent, to at least attempt to have them somewhere in the area of reality. As far as the priorities are concerned, the Housing Corporation scrutinizes these very closely and perhaps, Mr. Owens has a few comments to make on it.

Mr. Owens: Mr. Chairman, with respect to the questions that have been raised in the last few minutes by the Honourable Member from Whitehorse West, various government programs

that we have been unable to participate in, the Minister indicated that such programs, such as the Neighborhood Improvement Program was not entered into primarily, because the City of Whitehorse did not choose to sign the enabling agreements and to participate in it.

The Assisted Home Ownership Program has had considerable difficulty in the Yukon. Two years ago, the Housing Corporation undertook to speculatively build 28 units under that program and sell them in Whitehorse. As a result of that action, which basically, was to demonstrate to local builders that it was a desirable program, the local building industry did pick up on it and a considerable number of units were built under that program.

Another program that we were not able to participate in was the RRAP program. This is a home repair program, and there are Federal restrictions on it regarding population numbers and really, when you come down to it, there were only two places in Yukon that could participate in it, those being Dawson City and Faro. Neither of those communities chose to enter into the agreement at the time. I draw your attention to the fact that it was simply a rehabilitation program, it was not a new construction program.

The Leader of the Opposition phrases various questions concerning the styling of housing for seniors. We certainly, are looking at that. We are in the process, at this time to negotiate for downtown land. In using and purchasing downtown land in Whitehorse, you have zoning difficulties and you also, have density difficulties. These questions have to be dealt with. We have a committee struck with a group of senior citizens in Whitehorse and we will get into it further, in our budgeting. We are budgeting this year for construction for senior citizens.

I have no particular response to Mr. Byblows concerns with public housing in Faro. We based our distribution of housing, our building of housing, on periodic need and demand surveys. We have not noted any particular demand, or any quantity of demand, for public housing in Faro. In a single industry community, as we are experiencing in Faro, as housing experiences anywhere in Canada, there are very few low income people, people who would qualify as low-income renters, living in these communities. Because of the very nature of the community, they are there because of a single industry, and the low income groups very often are not attracted to these communities, and if they are attracted there, and subsequently, find themselves in the lower income bracket, they normally leave very quickly.

Our experience, and our monitoring of the Faro situation with respect to public housing, has not indicated a demand to us.

If there is no further comments, Mr. Chairman, there are a couple of items in the Main Estimates that I would like to draw to the Members' attention, where there have been some errors in the documents presented, both being on page 300.

Under the Expenditure Summary, and the column 1978-79 Projected, the figures for Administration and Staff Accommodation have been interchanged, so that Administration is \$529,900 and Staff Accommodation is \$665,100.

Again, in that same Projected column, in the Recovery, there was a figure of \$70,000, which was lumped into the Rental Purchase Housing Subsidy DIAND, which should have been included in the Staff Housing, so that the figure for Staff Housing should read \$461,500 and the Housing Subsidy DIAND should be \$180,000. These do not have any net effect on the budgeting, but for the comparison of previous years' activity, it may make some sense.

Hon. Mr. Njootli: Does it have any bearing on the totals?

Mr. Owens: No, it does not, Mr. Chairman.

Mr. Chairman: If there is no further general discussion, Establishment 1800, Yukon Housing Corporation, \$1,137,200.

Hon. Mr. MacKay: Yes, in the Minister's opening remarks there were a number of comments that were made that I would like to question.

There was a question of this government participating in the construction of non-profit housing in Old Crow, and covering deficits. Could we have some explanation of that?

Hon. Mr. Lang: Mr. Chairman, I do not have the breakdown of that. Perhaps, Mr. Owens could respond to that.

Mr. Owens: Mr. Chairman, the Yukon Housing Corporation has entered into agreement with the Old Crow Housing Association to provide a rent supplement for people who are renting units from a non-profit corporation in Old Crow, which constructed five houses this year. What happens under that arrangement is that the people are housed on a rent to income scale, the same as public housing, and we provide the difference between the actual cost of the housing unit and the rent paid by the tenant. Under that agreement, we share that supplement 50-50 with Central Mortgage and Housing

Corporation.

Hon. Mr. MacKay: This Corporation did not take part in any of the construction costs of that development.

Mr. Owens: No, we did not.

Hon. Mr. MacKay: Mention was also made of individual home ownership programs. Are they the kind of things we are looking at, according to what is current in B.C. with respect to assisted home ownership purchases, second mortgages at lower rates, and that kind of thing.

Hon. Mr. Lang: Mr. Chairman, we are looking at all kinds of options. I would just to elaborate a little further. I think that, as you know, when we go further into the budget, we have an obligation for staff accommodation in respect to public service in the Yukon Territory. We would like to see more encouragement to members of our public service to go into home ownership. I think, it is fairly indicative, in the last couple of years, the number of units that we have sold to staff. We had a total of, I believe, four units, was it not, that were sold in the area of staff housing? Yes, two sold and two in the process of being sold and we want to continue to encourage this kind of purchasing by our staff. I think that it serves two purposes. It takes the responsibility off the government of supplying this accommodation and, indirectly, being responsible for the operation and maintenance. But more importantly, for the individual, it is very important that they realize that if they purchase these homes they are obtaining an equity. With the concept of the territorial buy-back scheme, even in the outlying communities, the Government is committed to buying back homes if they cannot sell them on the private market, and if they are with government employment over a ten or twenty year period, they have something at the end, and I know from my own experience, from talking to members of the public service, especially in the federal public service, some of them have said that they really regret the fact that the ten years they have been here, they were given a subsidy on housing, they took the government housing, ten years later they have nothing except maybe, a second colour T.V., or whatever. They feel that indirectly, it really has affected them as far as their own personal economics are concerned. I do not think that we can emphasize enough, Mr. Chairman, the eventual productivity of owning one's home in respect to their own finances. If one is paying rent, they might as well be going into their own home, building an equity and having something at the end when they are finished their working years. And from this side of the floor, and I would like to think from all members in the House, that we should be encouraging people to buy their own homes and upkeep their own homes.

Hon. Mr. MacKay: I certainly agree with that with respect to encouraging people to buy their own homes. I have a question with respect to this Territorial buy-back scheme. Have we been in the process of purchasing any homes back and if so, how many last year?

Hon. Mr. Lang: Mr. Chairman, the scheme has been in effect, I believe, for three years now, and I believe, the number of homes that we have purchased is between four and six and they have all been sold. Is that not correct, Mr. Owens?

Mr. Owens: We have one in stock. I believe that your figure of six is correct.

Hon. Mr. MacKay: Has that program cost us any money in the sense that when we buy them back and resell them have we been recovering all our outlays?

Mr. Turner: Yes, Mr. Chairman, it is fully recoverable. The houses are put up at an upset price, and I am sorry, the number we have in stock is two, one in Whitehorse and one in Ross River. There is still money outstanding on the two that we have at the present time.

Hon. Mr. MacKay: So, we have actually, sold four to our staff and bought six. Is that the net result of our home ownership push?

Mr. Turner: If I may, Mr. Chairman. I do not believe that any of the homes purchased under the employee buy-back scheme were originally owned by ourselves. These have all been privately built or owned, if that is what the Honourable Member is getting at. We have purchased approximately, six, and we have two in stock. The way that they are put on sale is that they are offered for sale; first, to other staff members; secondly, to the public, then they are rented either to staff members or to the public on a thirty-day lease, subject to our selling it if we have the opportunity. The price is established at our cost, as an upset price.

Mr. Byblow: I was of the understanding that it is a ninety-five per cent recovery on a buy-back scheme.

Mr. Turner: Mr. Chairman, the ninety-five per cent is actually what we pay the homeowner. There are two appraisals obtained,

one by ourselves and one by the homeowner and ninety-five per cent of the average of the two appraisals is what is paid to the homeowner.

Hon. Mr. Lang: Mr. Chairman, in respect to the comments of the Leader of the Opposition, I think, one area that I was referring to was in the area of the staff sales, of which two have been completed and there are two in the process of being purchased.

It should be pointed out that, under another program, Rental Purchase Housing, there has been nineteen units sold, twelve in Whitehorse, three in Ross River, two in Haines Junction, one in Dawson City, one in Watson Lake and there are four others in process. That is out of a total number of units, I believe, it was about 126. So roughly, one-sixth of the housing stock in that particular area has been sold to private individuals.

So, there is a dent in that area in respect to trying to get people to take on the responsibility of their own home and, at the same time, procure that equity which is so important in the latter days of your working career.

Mr. Fleming: Yes, the Rental Purchase was of some concern to me and I am glad to see that there has been some participation in it.

I am just wondering, as I was a little confused as to the set-up in the rental situation, where last year you were charging, and we will just come up with a figure, I cannot say exactly, but say, \$250 to \$300, somewhere in that neighbourhood. Then there was to be a rise in the rental. It was going up to not double but almost in some cases.

Then the next thing we hear of is the Rental Purchase Plan and when you buy the home, purchase it, your payments could be possibly, \$257 or around there on a \$35,000 to \$40,000 home. I am wondering why the rent, if you can sell the home, paid for, or if the mortgage can be paid for over 25 years at \$200-some rent, why the rent has to jump sometimes to such a large extreme, say, \$300 to \$400?

Hon. Mr. Lang: Mr. Chairman, one reason for it is that it is geared to income and; therefore, you pay according to the income that you have on a monthly basis. The other point is that when you get up to \$300 or \$400, you are into the area of what is an average rent in 1979 dollar terms.

I think that it is an encouragement to these people to live in their own home. It is a real incentive and I think, it should be continued.

Mr. Byblow: I was simply going to inquire what the difference was between a rental purchase scheme and a buy-back scheme.

Mr. Owens: They are really two different programs and two pieces of legislation as well. The rental-purchase program is a program by which the Yukon Housing Corporation constructed a large number of houses in the Yukon Territory. Those units are initially rented to clients in the various communities and, under that program, when they reach a level of income which approximates the economic rent or the cost of maintaining that house on their own, then they have the opportunity of purchasing it.

The employee buy back scheme, and it only applies to employees of the Yukon Territorial Government, is a scheme by which the Yukon Housing Corporation guarantees to employees to purchase a housing unit. If the employee leaves the community or is transferred or fired, we guarantee to purchase the unit from the employee as a means of giving an incentive to this employee to purchase the unit.

Mr. Fleming: Yes, Mr. Chairman, I was interested in the Minister's last remarks, because, I think that the scheme is coming along better than it was before. We are actually getting somewhere now. I have had the feeling all along that we started a program for people who were poor, or did not have enough to get along on. Then we decide to take twenty-five per cent, I think it was, of their wages for the rental of the home, now that is fine.

It works along until you get up to maybe \$10 or \$11,000, you get over that \$300 dollar mark. Now, all of a sudden within a year, a person renting one of those homes can find himself a decent job and he has not had very much up to that date. All of a sudden he has got a decent job, his wages jump maybe to \$15,000 or \$17,000 or something, I call that decent, that is around our neighborhood. He is now, possibly, in that family, able to make a go of it and within a few days or a few months, at least, his rent jumps from \$300 to \$400 dollars. Naturally, he can not afford that.

I think, maybe, the rent will be going up, I do not know I may question that later on. He cannot afford that even under those wages, because once he draws that amount of wages, he immediately pays more income tax, more tax on this and that, and he really does not get enough to pay the bill. Consequently, we have taken somebody and put him into the position where he is just barely on the verge of making a go of things now, and then we hit him with a bang. Now, he has to buy the home, because of the rent

going so high and this is my concern. Maybe we are jumping the rent from that top margin of rent around \$300 to near the \$400 mark too quickly, before the people have a chance to make enough dollars to make a living. Then they are really forced into buying. That is actually my concern. I think, we are going ahead a little too fast, too big too quick on some people in some areas.

Hon. Mr. Lang: Mr. Chairman, I am sure that the Chairman of the Housing Corporation can elaborate a little further on this, but I would like to make a couple of comments.

Rental-purchase means that some of your money is going toward the eventual purchase of the home. I feel quite strongly, and I would like to think the Honourable Member would as well, that we should be encouraging these people to purchase their own homes if it is over a twenty year mortgage period and the amount of money is less than what the rent is, it gives that much more incentive to go into private ownership. It is not only from my perspective, it is from the individual's perspective, because after twenty years at least, they have something.

Mr. Fleming: Yes, I do agree with the Member that the incentive is very good. I do not believe in forcing anybody. I do not believe you should force that person into that position where he cannot pay the rent so he must buy the home. There is that position they can get into. They cannot pay the rent so they either move out or buy the home. I do not think that the program is really going through from where it started to where it should end by doing this. I think that maybe you are going a little too fast.

I am wondering why, too, as I said before, you can sell the home for \$257 a month and recover your monies or you can pay the mortgage off at less than \$300. Apparently, you have been able to do it somehow or other, because that is all you are charging up to a certain degree.

Then, all of a sudden, because they make a few dollars more in wages, they have got to be boomed for it.

Mr. Owens: Mr. Chairman, the questions of rent and rent scale are something that my Board has dealt with as recently as last month, in terms of reviewing it. It is a difficult one to know where you make the saw-off between what you are charging somebody and when they should get into purchasing a house. Is there a point where you stop raising the rent even though their income continues to rise, because they are possibly exceeding, substantially, what it would cost them to purchase the unit? We have been dealing with these things.

We feel that the program was overall, designed to bring on home ownership in Yukon. We are afraid of losing that hammer, which, let us face it, it is.

The other thing is that it might deal with some local problems in the Member's riding. I am not certain that it did occur there, but we did review the administrative practice in some of the communities of assigning rents in the past years and scrutinized it quite closely and found that some had been previously administered improperly. As a result, there was some significant increase.

I cannot tell the Member if that occurred in his particular area but that did happen in some places.

Hon. Mr. MacKay: Just turning to page 300--

Hon. Mr. Lang: Mr. Chairman, on a point of order, if we could deal with administration and go through the budget the way it is laid out, perhaps, we could deal with it in a sequence, rather than going from one to the other.

Hon. Mr. MacKay: Mr. Chairman, page 300 just details the administration, that is all.

Mr. Chairman: Okay, Mr. Mackay, proceed.

Hon. Mr. MacKay: The total expenditures budgeted are \$2,418,000 and these 511 house, is it true to say then, that it is about \$4,700 a house to maintain this? The breakdown of expenditures is not very informative in where the money goes.

I am looking at the expenditure summary of \$2,418,000, on page 300. In an earlier statement, you said that you were looking after 511 houses and I tried to relate that to a cost per house. Is that a fair way of doing it?

Mr. Owens: It is reasonably fair, depending on the interpretation, Mr. Chairman.

Hon. Mr. MacKay: My interpretation of that is that there is \$4,700 per house being spent in this area and I would be curious to know what you mean by things like "operating subsidy". Let us start with that, the \$1.2 million subsidy. Is that for fuel?

Mr. Owens: No, not particularly, not just fuel, it is the monies that it costs us to subsidize housing in both the staff and public housing sector and also, to operate rent supplement programs, as we de-

scribed earlier, where we would pick up the difference between the cost of the housing unit and what a person pays on the rent to income scale.

Hon. Mr. MacKay: The witness indicated that the \$1,230,100 included staff accommodation.

Mr. Owens: That was an error, I am sorry. It is only to the rent supplement in the Public Housing Program.

Hon. Mr. MacKay: The \$600,200 is purely then, for YTG staff, in subsidizing that area? Is that correct?

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

Hon. Mr. MacKay: The \$390.9 recovery is direct rent paid by the YTG staff. Is that correct?

Mr. Owens: That is correct.

Hon. Mr. MacKay: Is it the aim of the Corporation to narrow this gap? There is about a \$200,000 subsidy then, for staff accommodation. Is your goal to try and narrow that down, or where are you heading in that direction?

Hon. Mr. Lang: Mr. Chairman, perhaps, I had better answer that one. Yes, I would like to see that narrowed down. One of the areas that the Member may not be aware of, is that we are bound into the Collective Agreement in respect to staff housing with tenants that are already lodged in those premises. Once they move, then we have the ability of raising the rents to a comparative market rent.

In the next week or so, there will be an individual coming up to review the comparative market rents and to put recommendations into the Housing Corporation, who will be discussing it with me once we have the full report.

Mr. Byblow: A general question, where does the area of maintenance come in in this budget?

Hon. Mr. Lang: Mr. Chairman, that would be reflected in the Administration, would it not, Mr. Owens?

Mr. Turner: To a certain extent, Mr. Chairman. There is some maintenance money, just salaries, that appears in Administration. Under Operating Subsidy and Staff Accommodation, the major maintenance expenditures are shown.

Mr. Byblow: Perhaps, at this point, I could raise this, and I think, in reference to my earlier comments, this has been one of the areas of discontent, with respect to my riding, in Yukon Housing is the maintenance.

Could you outline the number of staff you have involved in maintenance and what is your policy of regular maintenance?

Hon. Mr. Lang: Mr. Chairman, the policy for regular maintenance is, wherever possible, to try to contract out with the private sector. If not, if you will recall in the Department of Public Works there is a recovery in the area of, I believe, \$15,000 for work that some of the Department of Public Works staff do, where we cannot contract out to the private sector.

Perhaps, Mr. Owens could go through, for the Members' edification, the number of staff we have on for maintenance.

Mr. Owens: For maintenance as such, we have one construction administrator who handles that. As the Minister pointed out, our primary method of doing maintenance is to contract that out. We also have a building maintenance foreman.

We do, as a policy, attempt to contract the maintenance of housing units, wherever possible, to local people. From time to time this is both extremely beneficial, and we have had some unhappy situations, but we believe that overall it is administratively good, and of benefit to the community, to assist some of these people to establish businesses so that they can offer this service to the rest of the community.

Mr. Byblow: Am I to assume then, that the numbers of maintenance people within Yukon Housing are essentially true, and that its policy is to contract all maintenance, other than what those few can handle, to private enterprise as it were?

Mr. Turner: The basic role of these two maintenance supervisors is to issue contracts and supervise the work done under those contracts. They do some work on their own, but generally, it is of a very minor nature.

Mr. Byblow: Does each community have any Local Housing Authority or co-ordinating person?

Mr. Turner: Yes, in most communities where we have public housing, there is a Housing Association as well as a part time housing manager. In a couple of places, such as the Community of Faro, we have a part time housing manager.

Hon. Mr. MacKay: Where do the other local authorities fit into the picture with respect to Yukon Housing? Do they get involved in setting priorities, such as who gets which houses, and also, whether

or not the rental amounts are being set in accordance with income levels, or is this done through Yukon Housing?

Mr. Turner: The board of directors of Yukon Housing Corporation does not get involved in either allocating rent, allocating units or the level of rent. What is done is that, in each community where we have public housing that is on the rent income scale, we have a local committee established. These people accept applications, allocate the units, and also allocate the rent on the rental-income scale.

Hon. Mr. MacKay: Although it is not a direct responsibility of the Yukon Housing Corporation, how do they assure themselves that these committees are functioning in a proper way; and that rents are being geared to incomes; and that somebody is making sure that the income being stated is correct; and the rents are geared accordingly?

Mr. Turner: Mr. Chairman, the actual bookkeeping and accounting for expenditure is done though the Yukon Housing Corporation. The association makes recommendations for financial expenditures. Recoveries, such as rent, are reviewed by the Yukon Housing Corporation.

(Establishment 1800 agreed to)

Mr. Chairman: Pages 300 and 301 are for information only, if there are any questions, we would hear them now. If not, we will go on to page 302, Capital Estimates. Establishment 1850, Capital Grants, Yukon Housing Corporation.

Hon. Mr. Lang: Just to go a little further in respect to what we are doing for the senior citizens, we have projected approximately, 36 housing units for senior citizens in Whitehorse, and between four to eight for Watson Lake. The land in Watson Lake was acquired a number of years ago, while the property for the Whitehorse project is to be purchased sometime this year, as Mr. Owens outlined earlier.

Hon. Mr. MacKay: Yes, Mr. Chairman, will the Whitehorse one be an apartment block? Is that the kind of housing we are looking at?

Mr. Owens: What we are looking at is to meet the various demands that Mr. MacKay suggested in his opening remarks. We are attempting to purchase a community centre property. We are attempting to provide, on that property, a style of housing which will be acceptable to the elderly. It will probably be apartment units. It could, in order to achieve the necessary density suggested for the project, be a two or three storey structure, with an elevator. It will definitely be designed for the needs of the elderly, based on experiences from across north American in the various design criteria in housing for the elderly.

Mr. Byblow: At this point, I would like to make note of some earlier statements suggesting that there has never been any demonstrated need in the community I come from. I think, the Minister and his officials will recognize that we have jointly, with his department, investigated an apartment block, which in essence, demonstrates some need, and I believe that that particular feasibility is being reopened presently. The whole point of it has been because there is no public housing available. In fact, if the Minister would look at his staff accommodation in Faro, he will find it is also, in short supply, and certainly not in excess. Over the years, I do not think that there was any additional accommodation in your staff accommodation, and certainly never in the public sector. Any move toward providing public housing would certainly would be worth investigating again.

While we are on this particular establishment, perhaps, the Minister can respond. You have all of this money, this \$1,000,000 allocated, I assume, for the major thrust of your senior accommodation. Is the entire amount going to be absorbed in this program this year, and is there any additional funding? I think, you know what I am talking about?

Hon. Mr. Lang: Mr. Chairman, this will be pretty well spent in the area that it is outlined in the budget. I should point out that I think, the member had these various programs confused. When you talk about public housing you talk about an area of social housing, where people cannot afford the rents, and; subsequently, you go into a rent supplement program. What the Honourable Member is referring to is an apartment that could be built by the private sector in Faro, similar to what was done, I believe, in Haines Junction, where this government would be prepared to entertain the idea of perhaps, guaranteeing the rental of three or four apartments in that particular block, but that other people have to make commitments as well. I am sure that it would be viable in respect to the comments that have been made by the Member during the course of this Session, and upon the acquisition of the required property in Faro, other people would be prepared to commit themselves to such an undertaking. I do not think that we

can rely totally, on a government to supply all the housing needs. We are prepared to participate. We realize that we have an obligation to our staff in accommodation for that staff, but in the private sector, as far as we are concerned, the individual in the private sector has a responsibility as well. And that is the way it is going to stay.

Hon. Mr. MacKay: In his opening remarks, the Minister indicated there would be four units built under the Rural and Remote Housing area. I see that we have \$250,000. Could we be told where these units will be built?

Mr. Owens: The Rural and Remote Housing Program is one that was established by Central Mortgage and Housing Corporation, and over the past three budgets, we have included money to participate in the program if it were necessary that we contribute. Under that program, it is normally a 75-25 split between C.M.H.C. and the province or territory. However, in any of the programs under Rural and Remote Housing that have been built in the Territory, we have experienced considerable difficulty, first of all, in the program, because the program requires a payment of 25 per cent of income, but this does not include, as it does in normal public housing, utilities or heat. Therefore, even though the program may appear fairly attractive, it has not been viable in the Yukon Territory, and has not been taken up. The housing units in Old Crow, for example, were built under the Rural and Remote Program, but they went under a different section of the Act, so that we did not participate in the capital investment. What we are doing in this budget is providing for our participation in that program, should a community come forward to apply for it, and there are communities which are going forward now and have proposals before C.M.H.C. to build under a co-operative building system where there is a certain amount of participation equity incurred, so that the mortgage is reduced and the cost of the house is more viable to them. There is, in the proposals going forward, a problem in that most of the people are seasonally employed and earn fairly good money during the working season, so that their incomes exceed the normal levels of this program, and we are awaiting a policy decision from C.M.H.C. as to whether they will allow this to go.

Hon. Mr. MacKay: Perhaps, we could have an outline of the difficulties encountered in the Assisted Home Ownership Program, because I see we spent nothing on that last year either. Is that another set of difficulties?

Mr. Owens: The Assisted Home Ownership Program is being used by the Housing Corporation primarily, as demonstration monies. They are budgeted here, solely for the purpose of allowing the Board of Directors the power to use them.

What we see being done this year, if it is required, would be to build spec housing. In other words, build housing for sale in some communities in the Yukon Territory with the object of demonstrating to private industry that there is a market beginning to rise up in some of the communities outside of Whitehorse and that spec building is viable.

That decision, of course, is going to vary according to the economic progress of the Territory over the next few months.

I should point out that the Assisted Home Ownership money is totally recoverable monies and; therefore, does not affect the budget.

Hon. Mr. MacKay: I take it then, because nothing was spent last year, there was nowhere in Yukon that had a demonstrated need for housing that was not being met by the private sector?

Mr. Owens: There was no identified need or there was no need identified by the Board for housing in any particular community of this nature. We did enter into rent supplement agreements in some cases.

What we would intend to do, under this program, is to demonstrate the viability of a market. I would not like to confuse it with construction of public or staff housing.

(Establishment 1850 agreed to)

Mr. Chairman: Information on page 303 is for information only. We have to carry 304, which is Loan Capital Summary of \$5 million, recoveries of \$5 million. Are there any questions on that?

Mr. Chairman: At this time, I would thank the witnesses for being with us and they may be excused.

Hon. Mr. Lang: Before we get into the main Capital Summary, if Committee wishes, perhaps, we could go through and discuss government services.

Mr. Chairman: Would you prefer that?

First, we will go back to page 285, Vote 16, Government Services, Establishment 1601. I will anticipate general discussion.

At this time, we welcome Mr. Wilson as our witness.

Hon. Mr. Pearson: Mr. Chairman, the Department of Government Services is one that has been recently created from three branches of the Territorial Government to the Data Systems and Computer Services Branch and the Supply and Services Branch from the Finance Department and the Public Service Bureau from what formerly was Yukon Archives and Information Services.

I would like to, just briefly, deal with the three branches. I will just give you a rough outline of what they are about.

The Data Systems and Computer Services Branch is involved in systems design, data records management, and computer operations, which are provided by this division for the Government of Yukon.

It is responsible for supporting and guiding the design, building and implementation of computer systems, including the evaluation of computer and related equipment alternatives. In addition, the division provides computer services in accordance with schedules agreed with user departments.

The division also, provides advisory services to the Data Systems Committee, advises on data filing systems and data record retention and disposal schedules. Co-ordination and preparation of data procedural manuals, control forms and designs are also a function of the division.

In 1978-79, the division will continue to provide normal service and, in addition, will be very involved in the Data Systems aspects of the current Financial Management Systems development.

The Supply and Services Branch, Mr. Chairman, provides the Yukon Government with the services of purchasing, warehousing, transportation, asset control, mail services and the Queen's Printer. This Branch negotiates rates and contracts for transportation of goods into and within the Yukon Territory. As a Branch, it is responsible for the annual airlift as well as the consolidating and marshalling of freight into Old Crow.

Through its Queen's Printer, it is responsible for the "Yukon Gazette", all government printing, photo-copying and government forms. This area distributes all Ordinances, regulations and Commissioner's Orders and reprints when necessary.

The Mail Section accommodates both, internal and external mailing in a central location and distributes internal and externally by use of a courier service.

The Information Services Branch is the centralized branch of government charged with the responsibility of informing Yukoners about Government of Yukon programs and services and to some degree, of communicating to concerned citizens, the concerns of the Government.

Distribution of information is met in a number of ways, all of which require the close liaison with departments and agencies of government, the news media and the public. These include the written press releases, the preparation of advertisements, advertising campaigns, the development of publications, audio-visual presentations, radio and television scripts, exhibits, photography, newsletters, and feature stories.

Other services, such as arranging news conferences or setting up radio or television interviews, are related to the Branch's mandate to provide the public with information on government affairs. As such, the Branch functions on a non-partisan service and does not offer reports on sessions of the Legislative Assembly. Neither does it prepare or report on addresses delivered by Members of the Legislative Assembly at partisan meetings nor offer comment or coverage on general election or by-elections.

Hon. Mr. MacKay: Yes, general debate on this department would probably meander and wander and be rather meaningless, because there does not seem to be any reason for this department to exist other than the fact that it is a collection of things that nobody else wants to have, so I will not debate the overall things in this.

Perhaps, I can just go straight into some questions. The Data Systems and Computer Services, I was interested to hear all the functions that this is performing, but I am wondering if the Government Leader can tell me why, when yesterday, when we were in Finance, we were talking about spending quite large amounts of money on Data Systems, that we seem to be doing something the same here, again. Where is the dividing line for the expenditures in this department?

Hon. Mr. Pearson: Is this general discussion? Mr. Chairman, first, I would like to make one thing clear. This department is not "a collection of things that nobody else wants". These branches perform very, very important functions in this Government and I want everybody to know that and to realize that. Now, departments are charged user-fees for the computer services. Is that correct, Mr. Wilson?

Mr. Wilson: No. Mr. Chairman, when we discussed Vote 12 yes-

terday, we were into the area of Financial Management Systems development and, included within the contract funds, there was a large portion that was relating to computer software requirements. At that time, it was indicated that there was a secondment of a systems analyst from the Data Systems/Computer Services area but more than that, what in essence happened, is that the Financial Management Systems group was set up to coordinate all the functions that would be financially related to ensuring the information systems were adequate.

Now, as part of this total function, Data Systems of course would be involved and, rather than having them separated, a portion into Data and a portion into Finance, it was agreed to keep them under one area for control purposes and for monitoring. As a result, the expenditures under Data Systems are the on-going expenditures to operate the Computer Centre.

Hon. Mr. MacKay: Is there one person in this department who runs this computer and to whom does he report?

Mr. Wilson: Mr. Chairman, we do have a data manager. At the moment, he reports directly to the Deputy Commissioner.

Hon. Mr. MacKay: What other man years are involved here? We have a total of the fourteen man years and I do not think, it tells us what they do. Could you just give us a rough idea of what these people are doing in that department?

Mr. Wilson: Mr. Chairman, as I mentioned, we have a data manager. In addition, we have three analyst programmers; we have two computer operators; a key punch supervisor; four key punch operators; a control clerk and a medical clerk in reference to YHCIP and YHIS claims that are computerized.

Hon. Mr. MacKay: Other than financial information, what kind of other data is used in this computer and stored?

Mr. Wilson: Mr. Chairman, I do not know the full gamut, but there are such items as motor vehicles, licences, we do some work for Economic Research and Planning. There is, of course, the health records, meaning Medicare, and there are possibly more that I am not aware of.

Hon. Mr. MacKay: Perhaps the Government Leader has something to add?

Hon. Mr. Pearson: No.

Hon. Mr. MacKay: I do not know if you can answer these questions, but I would be interested in knowing how many hours per day this computer is put to use and are we looking at running out of time on this computer and where are we at in its useage?

Mr. Wilson: Mr. Chairman, we generally run one shift per day. The computer, naturally, could operate twenty-four hours a day. That is not the case. On occasion, there is overtime where there are special runs. Some especially large programs, such as the health program, can take up a fair amount of time and if that happens to be run at the same time as our general ledger package, it does on occasion require additional time.

However, the computer useage for the number of hours that are available is extremely high.

Hon. Mr. MacKay: In the computer trade, often these things are used twenty-four hours a day, so I take it it is being used about one-third of its capacity in terms of operations right now.

Mr. Wilson: That is correct.

(Establishment 1601 agreed to)

Mr. Chairman: Establishment 1602, Supply and Services, \$1,130,200. Information is on pages 228 and 289. Are there any questions?

Hon. Mr. MacKay: Could I have an explanation of what the Purchasing Department's authority is to make purchases on behalf of all of the other government departments? Is there a dollar income level? To what extent do departments have latitude in making their own purchases?

Hon. Mr. Pearson: Mr. Chairman, there are signing authorities throughout the government at various levels. Mr. Wilson may be able to give you the limits that Central Purchasing can actually go to in respect to signing authorities, but certain purchase orders or purchasing authorities have to be signed, for instance, by the Commissioner and no one else because of the dollar levels.

Mr. Wilson: Mr. Chairman, only to the extent that the levels of purchasing are in the regulations under the Commissioner's Order and they are available to all Members.

Hon. Mr. MacKay: I am interested in what directions are given by the Purchasing Department to the people with signing authorities as to what the list of suppliers is, is there an approved list, in what way does the Purchasing department make sure that this government is buying at the best possible price or is veering towards

buying as much locally as it possibly can.

Hon. Mr. Pearson: Mr. Chairman, the policy of local buying is one that the Purchasing Department has been trying to adhere to as much as they possibly can. It is pretty hard to nail down a policy tight and fast exactly when you should go outside, what the differences should be.

As I have explained to the House prior, the cost differentials sometimes have to be varied and it becomes a case of judgment. I would think that on the whole there is more purchasing done locally than there is outside and quite rightly so.

Hon. Mr. MacKay: I am pleased to hear that but the explanation is all so very loose, and I am wondering if there are any directives? I am concerned now about, frankly, the "old-boy" system. What happens when the man with the signing authority just goes and buys from his friends? Not that he is getting any advantage out of it himself, I am not suggesting that for a minute, I am just suggesting that it is more convenient for him to deal with somebody he knows and likes. They may curl together, or whatever, it is a small town.

What guidelines are there with respect to that? Do they have to get competitive bids or quotes on everything they get?

Hon. Mr. Pearson: Mr. Chairman, just for self-protection, and for this very reason, almost everything is done by quotes. Now, I cannot say that everything is done by quotes, but in the main, the large majority of things are done by quotes.

Another system that is used is that once a year suppliers are invited to put their names on a list. They are interested in supplying items of a certain nature, and these purchasing lists are used. So, when items of this nature are required, then a request for quotation will be mailed to them. So this kind of thing is used.

But, in the main, it is quotes.

Hon. Mr. MacKay: Mr. Chairman, the Government Leader indicated that once a year this list was made up. What happens to the business that commences operations mid-way through a year? Is there any way for this person to get on the list?

Hon. Mr. Pearson: Oh, yes, of course, Mr. Chairman. I was just using this as one example of one way that it is done. You can get on the supplier list at any time at all.

Hon. Mr. MacKay: Still pursuing the purchasing angle, when it comes down to a situation where there is a decision to buy or to lease, and here we are talking of a man with a limit, say, of \$1,000. He can buy something that is worth \$5,000, or he can lease it at \$200 a month. That is within his authority. This is a problem, I would imagine. What is this government's solution to it?

Hon. Mr. Pearson: Mr. Chairman, this is a real problem, but is it really at the crux of the problem? The decision as to whether to buy or lease, in most cases, when it is made in this Government is because of a lack of funds, capital funds. In order to purchase, we must have capital Funds. If you lease it, it is operations and maintenance money. It has nothing to do with authorities within the department or having to go to somebody else to get the authority. The nub of the problem is the availability of capital funds to buy. As it happens, in a specific vote, there may be operations and maintenance money available so they can enter into a lease or rental contract, but they do not have enough capital funds to spend that \$5,000. They just do not have that.

Mr. Penikett: I would like to pursue a small point here. I am aware that from time to time in the private sector one can enter into a lease agreement which, if the term of the lease is long enough, you start to acquire some equity in the thing and it can be applied to the amount of purchase. Is it possible for the Government or officials at some point to acquire assets through the method of long-term leases without ever having to refer to capital budgets?

Hon. Mr. Pearson: Yes, Mr. Chairman, it is possible, however, again a certain amount of risk is taken by the lease company in that. Pursuant to the provisions of the Financial Administration Ordinance, every lease is cancelled on the 31st of March of each year.

The Commissioner does not have the authority to go beyond the 31st of March in respect to the budget that we are now working in.

So as a consequence, in fact, that lease is cancelled that day and renewed the next, but it is possible to buy a big piece of equipment on a five year lease, yes.

Hon. Mr. MacKay: This appears to be, from what I can gather, a fairly wide spread practice, to lease equipment, and I am not thinking of large pieces. Quite a lot of it is smaller.

Is the Government contemplating issuing any guidelines in respect to this kind of practice which may in fact be circumventing the authority of this Assembly in passing capital budgets.

Hon. Mr. Pearson: Mr. Chairman, it may well be that it will be desirable to try and establish some guidelines with Central Pur-

chasing in respect to leasing/renting/purchasing. There is never any attempt, nor any desire to circumvent the authority issued by the Legislature.

As we go on in this budget you will find an item of \$125,000. Mr. Wilson, if my memory serves me correctly, that same \$125,000 has been in this budget for I do not know how many years, irrespective of how much the cost of furniture has gone up, that number has just simply has not increased. We are required to buy new furniture, replace old furniture and so on and so forth. That is the amount that has been voted each year for it.

Hon. Mr. MacKay: I think, however, there is a real area for concern. There is a lot of waste that can occur in this.

I think in our own Assembly budget for example, the rental of a typewriter goes on for several months, greatly in excess of the original cost of such a typewriter had it been purchased. That is one area that we happen to see in front of us. If there are no guidelines now, indeed there should be. Not that I have anything against leasing, it may very well be that that kind of asset is best leased, such as photocopiers which may be so technically out of date in such a short time, it is best to lease rather than purchase.

It would appear to me that that kind of decision should be made, not on the basis of what is available in the O&M on that particular day, but it should be made on the basis of what is the most economic and best way for the government to purchase.

Hon. Mr. Pearson: Mr. Chairman, I must say once again that it is not made on the basis of what is available under O&M, it is made on the basis of what is not available in capital. Really, that is where we come into the problem.

I agree one hundred per cent with the Member. It is a concern that I share with him very, very deeply, and I really do hope that we can do something about it because it is a major concern.

(Establishment 1602 agreed to)

Mr. Hanson: I move, Mr. Chairman, that we now report progress on Bill Number 4, First Appropriation Ordinance, 1979-80, and ask leave to sit again.

(Motion agreed to)

Mr. Chairman: What is your further pleasure?

Mr. Hanson: I move, Mr. Chairman, that Mr. Speaker do now resume the Chair.

(Motion agreed to)

(Mr. Speaker resumes the Chair)

Mr. Speaker: I now call the House to order.

May we have a report from the Chairman of Committees?

Mr. Lattin: Mr. Speaker, Committee of the Whole has considered Bill Number 4, First Appropriation Ordinance, 1979-80, and directed me to report progress on same and beg leave to sit again.

Mr. Speaker: You have heard the report of the Chairman of Committees. Are you agreed?

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

May I have your further pleasure?

Mr. Hanson: Mr. Speaker, I move, seconded by the Honourable Member from Faro, that we do now call it 5:30.

Mr. Speaker: It has been moved by the Honourable Member from Mayo, seconded by the Honourable Member from Faro, that we do now call it 5:30.

(Motion agreed to)

Mr. Speaker: This House now stands adjourned until 1:30 p.m. tomorrow.

(Adjourned)

The following Sessional Paper was Tabled on March 27, 1979

79—2—22

Yukon Teachers' Staff Relations Board Fourth Annual Report
1977—78

The following Legislative Returns were Tabled on March 27, 1979

79—2—9

Native oriented content in school system

79—2—10

Yukon Health Care Insurance Plan
(Written Question Number 6)