



The Yukon Legislative Assembly

Number 21

3rd Session

24th Legislature

HANSARD

Monday, October 20, 1980 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Grafton Njootli, MLA, Old Crow

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government House Leader — responsible for Executive, Council Office, Public Service Commission, Finance and Pipeline.
Hon. Doug Graham	Whitehorse Porter Creek West	Minister responsible for Education, Justice, Consumer & Corporate Affairs, Information Resources, Government Services and Workers' Compensation Board
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Renewable Resources, Tourism and Economic Development
Hon. Geoffrey Lattin	Whitehorse North Centre	Minister responsible for Highways and Public Works, Municipal and Community Affairs, Yukon Housing Corporation, and Yukon Liquor Corporation.
Hon. Meg McCall	Klondike	Minister responsible for Health and Human Resources

Government Members

(Progressive Conservative)

Al Falle	Hootalinqua
Jack Hibberd	Whitehorse South Centre
Peter Hanson	Mayo
Grafton Njootli	Old Crow
Donald Taylor	Watson Lake
Howard Tracy	Tatchun

Opposition Members

(Liberal)

Iain MacKay	Whitehorse Riverdale South
Alice P. McGuire	Kluane

(New Democratic Party)

Tony Penikett	Whitehorse West
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(Independent)

Maurice J. Byblow	Faro
Robert Fleming	Campbell

Clerk Of Assembly
Clerk Assistant (Legislative)
Clerk Assistant (Administrative)
Sergeant-at-Arms
Editor of Hansard

Patrick L. Michael
Missy Parnell
Jane Steele
G.I. Cameron
Lois Cameron

**Whitehorse, Yukon Territory
Monday, October 20, 1980**

Mr. Speaker: I 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 Returns or Documents for Tabling?

TABLING OF DOCUMENTS

Hon. Mr. Lattin: Mr. Speaker, I have for tabling a green paper on the *Municipal Aid Ordinance*.

Also, Mr. Speaker, I have for tabling a report on the Standing Committee on Alcohol and Drug Related Problems in Yukon, better known as the Brass Report.

Mr. Speaker: Are there any Reports of Standing or Special Committees?

Petitions?

Reading or Receiving of Petitions?

Are there any Introduction of Bills?

BILLS: INTRODUCTION AND FIRST READING

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister for Health and Human Resources, that a bill entitled *Loan Agreement Ordinance, 1980, (No. 1)*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Health and Human Resources, that a bill entitled *Loan Agreement Ordinance, 1980, (No. 1)* be now introduced and read a first time.

Motion agreed to

Mr. Speaker: Are there any Notices of Motion for the Production of Papers?

Notices of Motion?

Statements by Ministers?

This then brings us to the Question Period.

Have you any questions?

QUESTION PERIOD

Question re: Constitutional Development Process

Mr. MacKay: My question today is to the Government Leader. Last week, Mr. Speaker, the Government Leader unjustly complained that nobody was commenting on the content of his Constitutional Paper, and that all the people were talking about was the process. Will the Government Leader not admit that he is doing exactly that thing when he refuses to go to Ottawa because he does not like the process?

Mr. Speaker: I think the question is becoming somewhat argumentative.

Mr. Pearson: Mr. Speaker, there are processes and processes. I did not say that I am confident, Mr. Speaker, that I had any argument with the process. What I did say was that no one was commenting on the substance of the papers; they only wanted to talk about how those papers were put to the people of the Territory.

I felt, Mr. Speaker, and still do, that the papers are there. I am very anxious to hear from Honourable Members opposite, from Committees that may want to be established to look at it. We are anxious to hear from the public exactly what their thoughts are in respect to those papers.

Mr. Speaker, I am not making any apologies to anyone for the way those papers were made public; they were our papers, and they were ours to make public the way we wished.

Mr. MacKay: Again, we are bogged down in the process, however, I would like to ask one more question on that, Mr. Speaker. Would the Government Leader be prepared refer his papers on

the constitutional questions to the Standing Committee on Constitution?

Hon. Mr. Pearson: Mr. Speaker, I personally handed a set of those papers to the Chairman of that Committee. Now, that Committee, if I know anything about committees of the House, how they are set up and what they are supposed to do, has a responsibility, I would think, to view those papers the same as any other comment made by anyone else, in respect to the Constitution. Mr. Speaker, I cannot dictate to the Committee what they look at and what they do, but I would certainly hope that they are going to consider those papers seriously.

Mr. MacKay: If it were found that, due to the existing terms of reference of that Committee, there might be some boundaries about which issues they can discuss, would the Government Leader be prepared to support a motion which would broaden these terms of reference, which would permit discussion of all the issues contained in that paper?

Hon. Mr. Pearson: Mr. Speaker, that is a strictly hypothetical question. One, I submit to you, I only have one vote on, as a Member of this House. That Committee is not my Committee; it is your Committee; it is a Committee of this House.

Question re: White Pass & Yukon Route Financial Difficulties

Mr. Penikett: I, too, have a question for the Government Leader. In view of the announcement today that the White Pass and its employees are in the throes of a dispute over lay-offs on the rail division, can the Government Leader assure the House that, in negotiations about White Pass' financial difficulties, this Government has sought to ensure that no significant number of Yukon jobs are lost as a result of those financial difficulties, or resolution of them?

Hon. Mr. Pearson: Mr. Speaker, our negotiations with White Pass have been strictly on a financial basis. The White Pass and Yukon Route have been under tremendous pressure from the federal government, from this Government, from the Cyprus Anvil Mining Corporation, and in particular the three bodies that they are actively talking to in respect to some kind of monetary relief, to economize in whatever way possible.

Mr. Speaker, we have not talked about job lay-offs with them. As far as I know it has not been a subject of discussion, but one of the reasons that we are involved in this whole negotiating thing was to try and protect the jobs of those employees working for White Pass who happen to live on this side of the border.

I am confident, Mr. Speaker, that at some point in time the Government of Alaska is going to have to consider what the ramifications might be to their employees if they took the decision not to participate in the relief to White Pass.

Mr. Penikett: I would like to thank the Government Leader for his answer.

In view of the obvious fact that it would be illegal for American rail crews to work on the Canadian side of the border, doing work that could be done by Canadian rail crews, including those who have been laid off, what action has this Government taken, or will this Government take, to ensure against any abuse of Canadian employment and immigration laws on this railroad, should such abuse come to their attention?

Hon. Mr. Pearson: Mr. Speaker, we cannot take any kind of action; we do not have authority to take any action, other than to bring it to the responsible people's attention in the federal government. Mr. Speaker, we do not have that authority, nor have we ever sought it.

Mr. Penikett: In view of press reports quoting the Minister of Highways as saying he would be looking again at the opening of the Skagway Road year-round if the Venus Mine requested it, can the Government Leader confirm that his position regarding the highway replacing the railroad has not changed as the result of the potential Venus opening?

Hon. Mr. Pearson: Yes, Mr. Speaker, I can assure the House and everybody in the Territory that neither my position, nor this Government's position, has changed at all with respect to the Skagway Road.

Question re: Alcohol Abuse

Mr. Byblow: Mr. Speaker, I have a written question that I direct jointly to the Minister of Human Resources and the Minister

responsible for the Yukon Liquor Corporation.

I request the two Ministers to provide me with the following information: a) the salary range and description of duties for a recovery unit attendant at the Whitehorse Detox Centre; b) the salary range and description of duties for a sales clerk at Yukon liquor outlets; and c) the full cost of the Brass Report.

Question re: Agricultural Policy

Mrs. McGuire: I have a question for the Honourable Mr. Lang. Since the Territorial Government has the responsibility for agriculture under the terms of the *Yukon Act*, could the Minister table in this House a copy of this Government's policy on agriculture? If this Government does not have a policy, would the Minister tell us when we can expect one, along with a general outline of its concepts?

Hon. Mr. Lang: Mr. Speaker, to the first question, "No"; to the second question, an agricultural policy is in its formative stages. Once it has been finalized, approved, and is policy, this Government would be bringing it to the House.

I would point out, Mr. Speaker, we are in a difficult situation. We do not have the land, though we may have the responsibility for the agricultural policy, and it makes it a difficult situation that the Leader of the Opposition seems to thrive on. But, that aside, Mr. Speaker, I would suggest that when we do come forward with the agricultural policy we would be expecting the Government of Canada to be setting aside designated areas so that people could carry on pursuits of this nature.

Question re: Conference of Provincial Premiers

Mr. MacKay: I can assure the previous speaker that I do not own all of the land either.

My question is to the Government Leader. With respect to a conference of provincial Premiers that was held in Toronto last week, can he tell the House if he received an invitation to attend such a meeting?

Hon. Mr. Pearson: No, Mr. Speaker, and I would like to assure the House, had I received such an invitation, I would have been there, rather than in the House at that particular time.

Mr. MacKay: Can the Government Leader tell us if his Government policy is to support the seven Premiers who are to take legal action, or to support the three Premiers who are prepared to go along with the Constitutional proposal?

Hon. Mr. Pearson: I am sorry, Mr. Speaker, I cannot, because no one has asked us that particular question; no one is seeking our support one way or the other. We are really lost.

I was very happy, Mr. Speaker, to hear us referred to by the Leader of the New Democratic Party, in a speech over the weekend. Save and except for a couple of references by Mr. Epp, in the House of Commons, and our own Member of Parliament's crying in the wilderness, nobody else knows we exist.

Mr. MacKay: I can barely suppress my tears.

Has the Government Leader therefore, in essence, given up the fight to attend these conferences, since he not only did not receive an invitation, but did not seek one either?

Hon. Mr. Pearson: Mr. Speaker, I do not know that I answered that I did not seek one. Maybe it is supposition on the part of the Honourable Leader of the Opposition and he should not do that.

Mr. Speaker, no, I have not given up at all.

Question re: Day Care Centre Housing

Mr. Penikett: I have another question for the Government Leader. It concerns my question of last week, about making public buildings available to day care centres. I would like to ask the Government Leader if he has had a chance to reconsider his answer of last week, in his capacity as landlord of the Happy Hours Day Care Centre?

Hon. Mr. Pearson: No, Mr. Speaker, and this Government's happening to be the landlord for a day care centre has no bearing.

Mr. Penikett: I am very sorry to hear that, I was hoping it had.

Given the precedent that has been established in this case, and the forecast of declining school populations, would the Government Leader be prepared to consider opening public buildings to parent-run day care centres, where there is space available?

Hon. Mr. Pearson: Mr. Speaker, we are quite upfront. We have been very open in respect to what we are prepared to do, or what we can do, as far as we are concerned, in respect to day care centres.

Mr. Speaker, if people have ideas that they would like to bring to us, we are a very open and very responsive government, and we

will continue to be one. We will certainly give serious consideration to any suggestions that are made.

Mr. Penikett: I thank the Government Leader for his answer, and I hope he will appreciate that he may now be in a position to entertain some applications from homeless day care centres.

Let me ask the Government Leader if, in view of the extremely reasonable rent that he, as landlord, is now charging to the one day care centre housed by this Government, the public might reasonably expect that that would be a precedent that he would favourably entertain in other cases?

Hon. Mr. Pearson: Mr. Speaker, I am not sure exactly where the Honourable Member's questions are leading, but I seem to be getting an oblique message that I should really be looking hard at the rent that we are charging them. That is the message that I am getting, and if the Honourable Member does not want to imply that, then he had better make it clear. Mr. Speaker, we charge rent to various organizations for various government space. We think it is fair and equitable rent. If we have space to rent to someone else, certainly we will consider it. There are no precedents set anywhere.

Question re: Provincial Premiers' Conference (Continued)

Mr. MacKay: Pursuing the subject of an earlier question: Can the Government Leader now confirm that he did seek an invitation to the Provincial Premiers' Conference in Toronto?

Hon. Mr. Pearson: Yes, Mr. Speaker, I have been in correspondence, both by mail and by telephone, with the Chairman of the First Ministers' Conferences. I am confident that I have made it clear to him that we expect to be invited to First Ministers' Conferences.

We feel that we have the right to attend First Ministers' Conferences.

Mr. MacKay: I am sure I share the Government Leader's sense of outrage at our not being invited to these things. The Yukon should be part of such occasions. Was he not even invited to attend as an observer?

Mr. Speaker: No, Mr. Speaker, because I made it very, very clear to the Chairman of the First Ministers' Conference that I did not intend to be there, or anywhere else, as an observer.

Question re: Tagish Bridge Construction

Mr. Penikett: I have a question for the Minister of Municipal Affairs, for which I have given him notice. Mr. Speaker, over the summer both of us received a complaint from a Whitehorse resident, concerning the concrete beams in the new bridge at Tagish, and whether they were up to standard. Can the Minister say that he has looked at this complaint and conducted an investigation?

Hon. Mr. Lattin: I thank the Member for giving me advance notice on this. Yes we have had complaints and we have investigated it.

Mr. Penikett: I commend the Minister on his brevity and precision in the Question Period. Given the results of the investigation, can the Minister give his assurance that the bridge has been built to standard?

Hon. Mr. Lattin: Mr. Speaker, on the bridge in question, there are 162 girders; there were three found not to have the tensile strength, and another three had a low release strength. We had consultants from Hardy; the other consultants were McManus. We checked into these and they made some improvement on them — they were then deemed to be perfectly satisfactory.

Question re: Beaver Creek Customs Office

Mrs. McGuire: I have a question for the Government Leader. Since the relocation of the Beaver Creek Customs Office is slated for the fall of 1982-83, would the Government Leader consent to the launching of a lobbying campaign with the Minister responsible in Ottawa, to shorten the waiting period by at least one year? We have been on the waiting list since 1975.

Hon. Mr. Pearson: Mr. Speaker, this Government has lobbied all it knows how for the Customs relocation in Beaver Creek. We have deemed it a priority item ever since we came to office.

I am happy to hear from the Honourable Member, because she obviously has information that I am not privy to. In the matter of when the reconstruction is being scheduled, we have not been told yet where it has ended up in the list of priorities of the federal government.

As I said in answering a previous question, Mr. Speaker, we knew at one point that it was scheduled to be done this summer, but then we were advised that the schedule had been revised, and we

were not told when it might be included again.

Mr. Speaker: I would be more than happy to do everything that we can, to get the message to Ottawa that we do feel that the reconstruction and relocation of that custom station is a priority item, as far as this Territory is concerned.

Mrs. McGuire: Some of the people responsible for that area are in town now, and probably have information on it.

Has the Government Leader raised this issue personally with the Minister of Indian Affairs and Northern Development?

Hon. Mr. Pearson: Yes, Mr. Speaker. When the Honourable John Munro was named Minister of Indian Affairs and Northern Development, I went to Ottawa to meet him, and took a list with me of what we considered to be priority items. Mr. Speaker, that was one of the items on the list.

Question re: Workers' Compensation Board

Mr. MacKay: I have a question for the Government Leader, as Minister of Finance, concerning the investment of funds of the Workers' Compensation Board. In the report tabled last week, I found that the interest income made no gain over the inflation rate. There was no gain to the funds, inflation considered, and also the investments held declined by a value of some \$600,000.

Is the Minister satisfied with this investment performance?

Hon. Mr. Pearson: Yes, Mr. Speaker, after questions raised by the Honourable Leader of the Opposition last year, we conducted quite an extensive study into exactly how we should go about handling these investments; whether there was in fact a better way. I am quite confident that the Honourable Leader of the Opposition was privy to the information that we received. If he was not, I will make sure that he is made privy to that information — that we were doing as well as anyone, and better than most, in respect to investments of our Workers' Compensation Board funds.

Mr. MacKay: I would appreciate receiving that information. Further, I was alarmed to hear that when the Government Leader answered, he threw in the "hooker" at the end; he said "as compared with other Workers' Compensation funds". Is he prepared to compare his investment performance with that of a commercially held portfolio?

Hon. Mr. Pearson: No, Mr. Speaker, because Workers' Compensation funds are held in trust. We are very, very limited in what we can and should do with those funds.

Mr. MacKay: Would the Government Leader be prepared to seek some professional advice from some qualified person in this market, to consider the past performance and to give advice on future investments?

Hon. Mr. Pearson: Mr. Speaker, I thought I answered the Honourable Member on the previous question. We did, in fact, seek professional advice, wherein we were assured that we were doing quite well with our Workers' Compensation fund. I have assured the Honourable Member that I will make him privy to the professional advice that we obtained.

Mr. Penikett: It sounds like a solicitation for the period after his conflicts expire.

Mr. MacKay: That is pretty close.

Question re: Taxation/Mobile Home Assessments

Mr. Penikett: I have a question for the Minister of Municipal Affairs. This past summer I brought to the Minister's attention the problem with overly high assessments on mobile homes in the Whitehorse area. I must say, in passing, that the Minister dealt with the problem very promptly. I now learn from the Minister that there is to be a reassessment of all mobile homes in the City, because they may be valued too highly. Can the Minister now report to the House how far along this reassessment towards removing the inequities has progressed, and exactly when the mobile home owners may expect to benefit from this review?

Hon. Mr. Lattin: Mr. Speaker, we are investigating it. At this particular time I am not prepared to say when it will be completed. When it is, I will inform the House.

Mr. Penikett: Notwithstanding a review of the *Taxation Ordinance* last year, there remains a basic problem with the assessments, and appeals of them, particularly in dealing with factual errors. Can the Minister outline for the House what measures people can take to correct the factual errors in the assessment, especially if they are discovered past the closing date for the Court of Revision, or the Review Board, as it is now called?

Hon. Mr. Lattin: Mr. Speaker, when the dates are over, I am

sorry, I do not see how we can do anything else for them. These dates are posted, and they are to be abided by, and if the people have not abided by them, I do not see how we can make any extra provisions for them.

Mr. Penikett: I would ask if the Minister would reconsider his answer, in view of one case that I discovered this summer, whereby a trailer was assessed as having a garage on the property — a garage which did not exist — and the owner was able to substantiate this after the fact.

Hon. Mr. Lattin: Mr. Speaker, I would suggest that that was an outstanding case. At this particular time I would not like to dwell on it anymore.

Question re: Faro Liquor Store

Mr. Byblow: I have a gentle question for the Minister of Economic Development. In the debates of last week, the Minister said that the Faro liquor store was requested by the citizens of the community. I have since been unable to find anyone who subscribes to that position, so I would ask the Minister if he can provide me with any additional information surrounding the nature of that request, and the extent of community support that it had.

Hon. Mr. Lang: Mr. Speaker, I recall in discussions that the matter was raised. I think that the debate of last week was getting a little bit confusing, to not only the Member but perhaps others as well, in some of the discussions that had been going on. The point I was trying to make to the Member is that every Member in this House has voted for major appropriations for his particular community, in various facets of what has to take place. In fact, if he looked at this forthcoming budget, there is approximately well over \$1.5 million going towards his community.

The only point I was trying to make, Mr. Speaker, and it seems to have escaped the Honourable Member, is the fact that we are trying to answer the needs of that particular community, just like we do those of all other communities.

Mr. Byblow: I respect the Minister's attempt to answer the question; however, he did not answer it. I would ask him specifically, has he had any written communication requesting such a facility.

Hon. Mr. Pearson: Mr. Speaker, I do not have anything in writing. I made it very clear to the Member opposite that it was in discussion, rather than in written form. I am sure he can get into further debate when we get into the budget, as to why he does not want that particular type of amenity in his community.

Question re: Vehicle Licence Plates

Mr. Penikett: I have a question for the Government Leader. Can the Government Leader tell the House if this Government plans, next year, or any time in the near future, to sell licence plate stickers, rather than plates themselves, when people renew their auto registration?

Hon. Mr. Pearson: I am sorry, Mr. Speaker, I cannot, and I must apologize, Mr. Speaker, the responsible Minister will be absent all of this week. He is at a meeting of Recreational Ministers in Toronto. I could find out if the department is giving consideration to that Mr. Speaker, and I shall if the Honourable Member wishes.

Mr. Penikett: I thank the Government Leader for that undertaking. I would like to ask the Government Leader one further supplementary on behalf of a petitioner in this regard. Will the Government at the same time be allowing people to choose their licence plate letters and numbers as they do in California?

Hon. Mr. Pearson: Mr. Speaker, I am not aware of any change in the licence plate, either the method of issuing or how they are chosen, or anything else. I will try to find out and bring a paper back for the Honourable Member.

Mr. MacKay: Would the Government Leader give the House an undertaking that the Members of this Legislative Assembly will not be saddled with the initials "AA", meaning to many Alcoholics Anonymous, in future issuance of licence plates?

Mr. Speaker: Order please, the Chair considers the question to be frivolous.

Question re: Government Accounts

Mrs. McGuire: I have a question for the Minister of Finance, who is not here, so I will direct it to the Government Leader. Is the Government Leader aware that there is often a two to three month waiting period for creditors who submit bills to this Government to receive their cheques?

Mrs. McGuire: Can the Honourable Government Leader

advise this House as to the reason for this long waiting period, and perhaps explain what processes a bill goes through, once it enters the offices of YTG Finance?

Mr. Speaker: Order, please. I believe the question could more properly be handled as a written question. The question asked by the Honourable Member would seem to require a very lengthy reply. Perhaps if the Government Leader could be very brief in his response to this question I will permit it.

Hon. Mr. Pearson: I appreciate the opportunity to reply at least in part.

I should advise the Honourable Member that the Minister of Finance is present in the House and is answering your question.

Mr. Speaker: I do not want it thought for a moment by anyone in this Territory that most bills take three months to be paid by this government. Since we have been elected, Mr. Speaker, we have made a conscious effort to ensure that that did not happen.

I want to advise the Honourable Member, and anyone who may have a problem, that if they have a specific instance like this, they should let us know at the earliest possible date. Do not wait three months; let us know right away. If you will give me the particulars of the specifics, I will ensure that it is looked after.

We find, Mr. Speaker, that whenever this does happen, there is a valid reason for it. Sometimes the reason is that the bill gets lost in the myriad of paper in this building. This has happened, but the procedure is such that it should not take an undue length of time for anyone's accounts to be paid by this government.

We have a good procedure in place; we do not think that we can improve upon it, except that, every once in awhile, something does fall between the chairs, and then we have to retrieve it.

Question re: NCPC Headquarters Expenses

Mr. MacKay: My question is to the Government Leader, again. Last week the Report of the Public Utilities Board was tabled. I note that in the report there seems to be an unresolved issue, wherein NCPC had not yet considered that their head office expenses were unfairly allocated to Yukon. Can the Government Leader tell me the status of that argument?

Hon. Mr. Pearson: Yes, Mr. Speaker, I am very happy to respond to this question from the Honourable Leader of the Opposition. Mr. Speaker, the Electrical Public Utilities Board, being the very, very tenacious people that they are, finally convinced the Northern Canada Power Commission, this year, that what really should happen is that this item should specifically be referred to the Auditor General. The Auditor General was to comment on that particular item, the allocation of Head Office expenses.

Mr. Speaker, I am not certain, I believe the Yukon Public Utilities Board has now said that it is prepared to abide by whatever the Auditor General says. Mr. Speaker, this argument has been going on, I believe, for six years. The sum started out being \$100,000. If, in effect, the final decision was that in that particular year, whatever it was, that \$100,000 was allocated in error, it should have been allocated somewhere else instead of Yukon. I respectfully suggest that we are probably talking seven or eight hundred thousand dollars in accrued funds by this time. So it is a very, very important decision, but all methods of resolving it have failed; it has now been referred to the Auditor General.

The Auditor General, by the way, Mr. Speaker, has agreed to look at this item in isolation as a specific.

Mr. MacKay: I am glad that the Utilities Board has agreed to this thing. Has NCPC agreed to abide by the same decision?

Hon. Mr. Pearson: Mr. Speaker, it is an interesting thing in Government. I accept the fact that no department or branch of Government has to abide by the decisions or the recommendations of the Auditor General. But, Mr. Speaker, in fact it is very difficult not to.

I would suggest, Mr. Speaker, that it would be very difficult, even for NCPC, not to abide by that decision once it is made.

Mr. MacKay: Mr. Speaker, I still think NCPC is saying "Heads I win, tails you lose"; but I would like to know if the Government anticipates, in the event of a favourable decision, that the entire \$700,000 could be reworked into our rate structure retroactively?

Hon. Mr. Pearson: Mr. Speaker, that would be strictly a prerogative and decision of the Board. This Government would not have anything to say about it at all.

Question re: Employment Statistics

Mr. Penikett: I have a question for the Minister of Economic Research and Unemployment. In the debate last spring, the for-

mer, in charge of the Economic Research and Planning Unit, conceded that the unemployment figures reported by the Government might be inaccurate. Can the Minister state what steps are now being taken to ensure the Government has reliable employment data for the Territory?

Hon. Mr. Lang: Mr. Speaker, the Member is asking some very technical questions. I do know, from my own experience, when I had a visitor in town who was looking for work, I made two telephone calls and found him work.

Mr. Penikett: The fact that the Minister has set himself up as a private employment agency is no doubt interesting, but it is not relevant to my question.

In his economic survey, the Minister said that Statistics Canada will assist with the inflation statistics, which I notice now the Government has been accepting for collective bargaining purposes. I would like to ask the Minister if he has considered obtaining the assistance of Statistics Canada to improve, if possible, the employment statistics in the same way?

Hon. Mr. Lang: Mr. Speaker, I am going to have to take the question under advisement, but I think a lot of the question that the Member is putting to me has to do with the statistics Ordinance, which died on the Order Paper here last spring. I think it is one of the areas in which we cannot get the necessary information, but I will take the question under advisement, and if the Member has a member of his family who is looking for a job, maybe I could make an appropriate telephone call.

Mr. Penikett: I would then just like to ask the Minister, in view of his last answer, if he would dare, during the course of this Session, to re-introduce the *Statistics Ordinance* in its previous form?

Hon. Mr. Lang: Mr. Speaker, as far as I am concerned, we are obviously keeping the Member busy enough. I see no point in trying to bring up some age-old arguments.

Mr. Speaker: At this time, the time allotted for Question Period has expired. We will now proceed to Orders of the Day, under Government Bills and Orders.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS

Mr. Clerk: Second reading, Bill Number 56, standing in the name of the Honourable Mr. Pearson.

Bill Number 56: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 56, *Third Appropriation Ordinance, 1979-80*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Hootalinqua, that Bill Number 56 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, the *Third Appropriation Ordinance, 1979-80*, requests approval by the Assembly for the revised expenditures of eight departments, to March 31, 1980. The appropriations represent both operation and maintenance expenditures and capital expenditures for each department, as outlined in the booklet along with the bill, and as recapped on Appendix A of the bill.

The totals for each department, whether there were supplementals involved or not, Mr. Speaker, are reflected in those Supplementary Estimates.

There is not much to say about Supplementary Estimates at second reading, because I would anticipate that, in principle, everyone is opposed to them and certainly must be opposed to the principle of supplementary estimates, but, Mr. Speaker, I am afraid they are a fact of life in government. We have tried very hard to keep the supplementaries as low as possible. We started out by saying there would be no supplementaries. Of course, that is not realistic. In the final analysis, what we are now seeking is the Assembly's approbation for what has happened, to March 31, 1980.

Mr. MacKay: The Government Leader is certainly correct that in principle everybody should be opposed to supplementaries, and I suppose it is the degree to which the Opposition is strong that it is noticeable.

I will be voting in favour of approving these bills that have already been paid, however with comment on principle that when I see which department had the majority of the overrun, it was the Department of Finance, the Government Leader's own department. Looking into that, it appears that the Government has run

into an additional cost with respect to holding a larger inventory of land for sale than they had anticipated.

I would just like to make the point on principle that I hope that, with the continued relative stagnation of the Yukon economy our inventory will not exceed our demand for too long a time. Of course the Government Leader smiles, because he remembers me saying here that I would never criticize him for running up a large inventory of land, but that did not mean that I should not warn him, Mr. Speaker, that you can have too much of a good thing.

Motion agreed to

Mr. Clerk: Third Reading, Bill Number 44 standing in the name of the Honourable Mr. Lattin.

Bill Number 44: Third Reading

Hon. Mr. Lattin: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 44, *An Ordinance to Amend the Community Assistance Ordinance* be now read a third time.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Hootalinqua, that Bill Number 44 be now read a third time.

Motion agreed to

Mr. Speaker: Are you prepared to adopt the title of the bill?

Hon. Mr. Lattin: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 44 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Hootalinqua, that Bill Number 44 do now pass and that the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I shall declare that Bill Number 44 has passed this House.

Mr. Clerk: Third reading, Bill Number 50 standing in the name of the Honourable Mr. Pearson.

Bill Number 50: Third Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal and Community Affairs that Bill Number 50, *An Ordinance to Amend the Insurance Premium Tax Ordinance* be now read a third time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Municipal and Community Affairs, that Bill Number 50 be now read a third time.

Motion agreed to

Mr. Speaker: Are you prepared to adopt the title of the Bill?

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal and Community Affairs, that Bill Number 50 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Municipal and Community Affairs, that Bill Number 50 do now pass and that the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I declare that Bill Number 50 has passed this House.

Mr. Clerk: Third reading, Bill Number 51, standing in the name of the Honourable Mr. Pearson.

Bill Number 51: Third Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that Bill Number 51, *An Ordinance to Amend the Home Owners' Grant Ordinance* be now read a third time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Old Crow, that Bill Number 51 be now read a third time.

Motion agreed to

Mr. Speaker: Are you prepared to adopt the title to the Bill?

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister for Economic Development, that Bill Number 51 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Minister of Economic Development,

that Bill Number 51 do now pass and that the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I shall declare that Bill Number 51 has passed this House.

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member for Campbell, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Campbell, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Mr. Speaker leaves Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I will call Committee to order.

Committee will be proceeding with discussion of Bill Number 38, *First Appropriation Ordinance, 1981-82*, after a brief recess.

Recess

Mr. Chairman: I call Committee to order.

Bill Number 38, *First Appropriation Ordinance, 1981-82*.

On Clause 1(1)

Hon. Mr. Pearson: Mr. Chairman, I do not know that I can say too much more in general debate with respect to this bill, further to what I said at second reading.

These are our Capital Estimates for the fiscal year beginning April 1st, 1981, going to March 31st, 1982. We very much want to deal with the Capital Estimates in this manner, at this particular Session, because we feel that it was a major breakthrough doing it last year. We are cognizant of some benefits that were derived last year, because we were able to do it this way. We are hopeful that even more benefits will accrue to us during the forthcoming year, because we were able to get some things out of the way that we did not anticipate. So, some projects were not called any earlier than if we had dealt with the Capital Budget in the normal manner in the Spring, whereas in other projects it definitely was beneficial. This year, we anticipate that almost all projects will have the chance to be dealt with in a much more expeditious manner to ensure that we do have the capability of taking advantage of the full construction season in the Territory.

Mr. Byblow: I am going to reply with several observations, Mr. Chairman, in debating the principle of the Capital Budget, and the estimates presented before us. The Government Leader is quite correct that a number of points raised during the second reading fairly well stated a number of undebated issues principally behind this type of financial injection. I think some of the points raised are of particular importance, in that we are going to be debating the rather monumental and weighty piece of legislation, the *Municipal Ordinance*.

I think the whole business of fiscal capability in communities is a very serious concern, and whether the community be relegated into hamlet, city or town status does not really matter. It is going to be a contentious issue — whether or not they are capable. Certainly the green paper on the *Municipal Aid Ordinance* is something that we are going to be re-doing with a lot of interest.

However, to the budget at hand, I think, as previously said in varying degrees, it is particularly important that a government be able to justify what sometimes appears to be pretty arbitrary allocations. I think funding capital projects must, as the Government Leader stated in his second reading address, fulfill certain objectives.

He cited those as being the quality of life to all Yukoners, in all Yukon communities, and the injection of capital into the economy. I think as we go through each vote, we must expect a defence of those objectives. Now this is the principle of the thing, as so repeatedly emphasized, how will each vote be able to be defended in what has been referred to as a "game plan of long-term planning".

I would particularly like to say something for the record, especially for the Member for Tatchun and the Member of the Booming Metropolis, that I am not opposed to the capital projects identified in this budget for their communities. I think the Member for Tatchun did an excellent job the other day of trying to defend the road

construction for access to the Dawson Range. I will have some questions when we do get to that vote.

These are the things that have to be asked and have to be answered: I want to know if it is policy of Government to construct access of a road such as this prior to a commitment by the developing concern to bring out the resource; I will want to know what this Government's economic resource development strategy is in the long term.

As the Member said, any area of potential mineral development deserves attention, but again, it is a matter of priorities. I can identify a dozen areas of resource potential in Yukon. I can identify a lot more than the one referred to that are having more than \$15,000,000 being invested in them.

What is the game plan, is really the question. What is governing the decision-making of where the money is spent? Is it quality of life, economic stimulation? If it is the latter, is the Government injecting haphazardly? Is it in the short term, is it in the long term; is it in designated areas of development; is it for the purpose of retaining employment? What is it?

That leads into the whole area of essential services. Where do you draw the line in assisting communities in their responsibilities of providing these essential services such as roads, sewer and waterworks and all the ancillary facilities that go with it? As the Minister of Economic Development knows, we have all been party to some pretty heated debates and negotiations over this constantly, and perhaps this green paper will help identify that, I do not know.

I suppose, in a sense, I am really talking about the Capital Assistance Program, but it is part of this Budget. I think I am saying that there is a tremendous need to redefine the regulations contained therein. Probably I had best leave that to the appropriate area in the Budget, but I would not mind hearing just what the future prospect is about the guidelines in the area of fiscal aid.

So it goes on to the question of justifying what you are spending. Where is the responsibility to determine just what fiscal aid is legitimate? Where is the decision-making behind what economic benefit it will bring? What social necessity is it going to alleviate? What is the long-term purpose?

Just a couple of specific points, Mr. Chairman, before I leave it: for fear of aggravating at least one of the Ministers, I will make my comments very brief.

I think the Government made a bad decision by deciding to build that liquor store in my community, in advance of an access road or the beginnings of an elementary school. I am not going to take issue with the concept, Mr. Chairman; the concept is good. It is the institution of a territorial office and a coordination of the services thereunder. I am not debating the concept. I am only debating the priority.

I think, beyond that, too, and nobody has mentioned it, and I mention it for the benefit of the decision-making, that, by the completion of the present lease, there is some valuable commercial space going to be released. That is a factor, as well. The whole idea of an administration headquarters is useful.

I just simply say that there are other services needed more. I submitted, as an aside, a couple of proposals to the Minister of Economic Development. I am wondering if he might have any comment on them.

I will leave it there, because it is an area, as I will be told, where there has been a fair amount of decision-making and thought prior to the allocation.

The other point that I feel I have to bring up relates to the whole area of fiscal management, or, I suppose, the whole area of taxation. It is an area that has been bandied about, and I am not sure that the House even has a clear understanding of it. At least I do not. This relates to the alleged revenue from taxation, as derived from the economic interest in my community.

Last April 21, I made a specific point of inquiring of the Government Leader in this House, to tell with reasonable accuracy, just what the corporate income tax accrual would be to this Government from the Cyprus Anvil operation. The Government Leader replied that he could not tell with reasonable accuracy because of the figures available, but he said, "Our corporate tax that will accrue to this Government as a result of that (referring to the figures) is, in round numbers, 10 per cent. So, Mr. Speaker, if that figure, the \$64,830,000 is accurate to the penny, then we can expect to get \$6,480,000 in corporate tax from Cyprus Anvil for last year."

I think for the edification of the House we should just get this out

of the way once and for all. I went further, and I enquired of the Government Leader if this money, in terms of its accrual, is generated into the general operating account of the Government. The Government Leader's response was "Yes, Mr. Speaker, as is all taxation money that comes to this Government."

Once and for all, perhaps we could get that out of the way.

On the Capital Budget in general then, there is the whole question of purpose, objective behind the injection of funding, wherever it goes. That is a reasonable question. With that, I imagine we will proceed into vote by vote discussion and more specific questions.

Mr. MacKay: When you stand up and address this Government's Capital Budget, you feel a bit like a poker player in Five-card Stud. You have to bet all your chips on your first card and he has still got five more to come. I find that, if you carry that analogy a little further, the way I read the *Municipal Ordinance*, there is a requirement that each municipality present to this Government a five year projection of their capital expenditures and what their essential plan is, and it must be updated every year.

I would like to think that this Government is doing that, too, and that somewhere in the Archives back there, there is a general game plan, a five year projection; that because of this openness of this Government that we have all heard about so much recently, we can anticipate being made aware of this five year capital projection, because it would certainly help us form judgments as to what the Government is trying to do. I am sure that the Government would appreciate it if we, the Opposition, always had informed judgments as to what they were doing.

Mr. Chairman: I would hope the Government Leader would perhaps see fit to supply the Members of the Opposition with the five year projection of the Capital expenditures intended by the government.

Specifically, this particular budget seems to me, as I said in initial debate, to be very light on spending in the communities, and to have a rather heavy emphasis on spending for the tourist.

I appreciate that tourism is rather a sacred cow and that one should not knock it. Unfortunately, when you are dealing with a budget which has a finite number at the bottom, like a limited number of \$25 million, once you start advocating spending in some areas, in order to be responsible, you more or less have to indicate where some money could be cut out.

I am trying to be responsible and no doubt they will jump on the latter aspect while ignoring the former, that is, why they are not spending more money in the communities. I would like to hear that question addressed particularly. It seems to me that many of the communities could do with paving. Some of the communities, at least one of them which I know have, have defective sewer and water systems that could be improved.

There are a number of just general basic necessities that are taken for granted in the booming metropolis of Whitehorse that a community such as Mayo and such as Watson Lake do not have. Paving, sidewalks, that kind of basic stuff is still to come to these places. I would like to see a lot more money spent in that area, rather than, for example, paving another stretch of the Klondike Highway to assist the tourists for two months in the year to get up there. If it came down to a choice between ten miles of paving on a highway and ten miles of paving inside the communities, I hope that this Government would go for the ten miles of paving inside the communities, because that is where people in Yukon live year round; it is not just a short-term situation where we do not want to have dust in the eyes of our tourists.

I hope that the Government, in the course of their green paper and financial assistance to the municipalities, will be addressing that problem more directly.

It is a queer mixture of philosophies that is involved in this Government and I shake my head sometimes because it comes out with some of the most outrageous schemes, which could only be thought up by some raving socialists of government intervention, a real interventionist approach. On the other hand, they have difficulty finding any money to put into day care centres, because that is socialistic. When you can put out \$300,000 for hotel rooms in Dawson, which is an unnecessary expenditure, in my opinion, it is really hard for me to feel sorry for you when you come forward and say that there is no money to assist day care centres. As death bed repentance, I hear there is a limit of \$5,000 you are going to spend on the children of this Territory for a day care centre. I really have trouble with that kind of philosophy. It seems that if it is a handout for business it is okay. Downtown merchants, they get \$100,000 to improve their Main Street, but if it is for children or for people who

are in need for those who are less likely to be able to fend for themselves, who do not have the direct ear of this Government, in other words, then there is very little available in the coffers.

I think that philosophy seems to run through and through here. It is okay to give handouts to those who do not need it, it seems, but for those who are in need, there is nothing left. "Sorry"

What I would have preferred to see was more of a people-oriented or Yukoner-oriented budget, which would have spent money in the communities and assisted the people in need, rather than pouring very large amounts of money into what I think are straight business subsidies.

Mr. Penikett: Mr. Chairman, may I say what a pleasure it is to see you back in your riding, since we are in your riding right now.

It was interesting to hear my friend on the right. I understand that he is shortly going to be going down south to a place where his political choices are limited. He is certainly betraying that limited choice right now. I am not sure what he is going to do when he gets there, because he has been attacking this Government for socialism and for having some socialist tendencies — that is on the negative side of his speech. On the positive side he has been advocating more of it. It is the grand old sort of Liberal tradition of intervention; you take away the money with one hand and give it back with the other, and thus you do not interfere in the economy. Taxation, I guess, is one of the most effective ways that the Government has interfered in the economy, and you would have to be a Ronald Reagan or a real primitive Conservative before you would believe the Government could be run without that.

Just before I go into a couple of remarks about this bill, I want to say that I am an enthusiastic supporter of open government. I want to say that the more of it I see and hear on the other side, the more I will cheer them for it. I think it is terrific, it is wonderful. I think we all do it all the time. I hope you will never come to the position where you adopt the traditions of the Province of Alberta in this regard. I understand that Mr. Lougheed is not a fan of Mr. Baldwin when it comes to freedom of information. I gather he has tendencies to decide in the other direction. So that you will not think that that is a partisan remark, I should tell you something that was once said by Premier Manning when he was Premier of Alberta, when he was once accused of being a closed-minded man. His response to that was that, in his view, an open mind is an empty mind and that openness was an Eastern Liberal idea that was foreign to the Plains of Alberta. I do not know where Mr. Manning would have got that idea, but apparently he has had some time in Ottawa since, and he may have been able to confirm it or deny it.

When we were talking earlier about this bill, I mentioned that the test I would like to apply against each one of these expenditures is the benefits to Yukon in terms of jobs, capital formation, and general strengthening of the Yukon economy. In other words, how do each one of these expenditures stack up as a public investment for the people of the Territory? I serve notice now that those are the kinds of questions I will be asking.

I was struck by a remark by the Government Leader in his major speech at the opening of this sitting. He mentioned that Yukon contractors were now successful in obtaining 55 per cent. I think it was, of all construction contracts let during the past fiscal year. Some time, he may permit me to ask him what it was several years previous, so that we can compare them, because I think that would be interesting.

I would also be interested in knowing, if possible, during the course of this debate, if there is any way of anticipating what it might be this year, or whether the government has a planned projection; to use Mr. MacKay's words, up 60 per cent, 65, whatever.

The Government Leader talked about the construction of the Old Crow gymnasium, and this is a project we have talked about before. He mentioned that it was unique, because it will use local labour and local materials. Both of those things are commendable; however, I wish it were not unique on that score. I think it would be desirable, if at all possible, to make that the general practice. It seems to me there are a number of other projects before this government, in Pelly, in Carmacks, in Haines Junction, and so forth, all places with chronic high unemployment in certain sectors of the local population.

If it is possible, in terms of the designing of these facilities, to go to three-sided logs or whatever, things that can be manufactured here in the Territory, to go to that kind of design and that kind of facility, even though it may be slightly higher capital costs, I think the benefits to us in terms of employment and using of local mate-

rials and producing the kind of economic benefits generally that I have talked about earlier, would prove to be a wise investment for the government, even though the initial outlay might be slightly greater. I think the return in employment, tax benefits, and the reduced social costs would be worth it.

That is really all I have to say at this point. We are talking about quite a lot of money, \$26,000. I will, as we go through item by item, be asking the responsible Ministers about their expectations in regard to employment creation and positive impacts on the economy.

Thank you, Mr. Chairman.

Mr. Fleming: I will not belabour the subject very long and we can get on to work.

However, there are a couple of items that I do wish to speak on, and I will be questioning the budget in many areas. As the Honourable Member for Faro has said, the new *Municipal Ordinance* is going to have an enormous effect on our budget in times to come.

I would like to say at this time — and it is criticism, and how you can overcome it, I do not know — but some of the things that the government decide they should do to make it easier for themselves, and to make sure they do things right, and that they find out what we actually need in the Territory, are sometimes very ludicrous.

There is an incident in the green paper and I only went to the first page, I did not have to go any further. It says something about the traditional funding formula, which is tied to population, being revised to use dwelling units as a basis. Of course that would be a considerable advantage, because you would provide a standard which can be revised each year. I have to agree that it certainly will be revised many, many, many times, over and over. It may work out all right in the City of Whitehorse, but it will not work in some of the places where we have the native villages and the towns and so forth. I think that maybe if they would just explain that to us and let us know that that is the way it is out there, we would all feel a little better, because we would know where we were at in the little towns. I am not saying that it will not work in a town the size of Whitehorse, or possibly Faro or Dawson, some of the bigger ones.

But just for example, I cite Teslin. I cannot be wrong because I counted on my fingers a minute ago, there are seventeen dwelling units that were in the L.I.D. district. However if we go onto the reserve lands and so forth, we will get probably 50 or 60 more Government dwelling units. But if they are just planning on the few private people who are in that town, then you are going to have a very incomplete view of what is happening.

Hon. Mr. Lang: Point of order, Mr. Chairman. I thought we were discussing the Capital Budget. The *Municipal Aid Ordinance* is one that we can go on *ad infinitum*, on.

Mr. Fleming: If the *Municipal Ordinance* will be affected very much by this budget, too, in years to come. However, that is all I was going to say on that.

I feel that the Government, as I said when we had the vote the other day, has done a considerable amount of work, and they have come up with some good ideas. Of course they will have some bad ones. There are areas in the budget where I feel that maybe my riding could have had more; maybe some other riding could have had more or less, but I think that that discussion will come up as we go through the budget.

Hon. Mr. Lang: Mr. Chairman, I just want to make a couple of comments with respect to what has been said. If one goes through this Budget, and if the two Members from the two Opposition Parties had bothered to read the Budget, you would note that one third of the Budget does go to the communities of the Territory. The areas that it is going to are all outlined specifically, contrary to the what the Leader of the Opposition has said.

In respect to the social side of the budget, if one takes a look at the amount of money that is being spent in the area of education and various others such as health, one can see that most of the budget is pretty well allocated to "the quality of life" for our Territory and our citizens.

Mr. Chairman, I just want to remind the Members opposite that they do have a responsibility to read the Budget prior to speaking on it.

Mr. MacKay: If I needed anything I did not need that, Mr. Chairman. Since Mr. Lang is so keen to promote the openness of his Budget, I would like him to tell me how I can determine how the grants going to municipalities are going to be spent, from looking at this budget. There is some \$4,000,000 that is going to municipali-

ties. I am supposed to be able to tell what they are spending it on, from this? No way. I think that is an area where you can certainly improve your budget. I think it probably was your budget anyway.

Hon. Mr. Pearson: Mr. Chairman, I am sorry I did not jump up before my honourable colleague. I am sure I would have reacted a bit more positively to what the Honourable Leader of the Opposition has said.

First, Mr. Chairman, I want to assure both the Member for Faro and the Member for Campbell that this budget, and our dealing with it, is something separate and apart from the *Municipal Aid Ordinance*. We will ensure that every Member of this House gets their real kick at the cat in respect to that *Municipal Aid Ordinance*. It is a very, very important piece of legislation. It will prove to be a very important piece of legislation in the future, probably more important than this Budget, Mr. Chairman. It is one of the reasons that we are very anxious to get that green paper tabled. Once again, we want to hear from Members opposite exactly where their concerns are in respect to that.

Now, Mr. Chairman, I also want to make it emphatically clear to the Honourable Member for Faro that there is no political influence in the making up of this Budget. There are definite administrative reasons why we feel it is absolutely necessary for us, as good managers of a specific project in this Territory, to build a new building in Faro this coming year.

I, frankly, was appalled when the Honourable Member said the other day that Faro did not want this new liquor store. I simply do not believe that, Mr. Chairman. The fact still remains that it is this Government's responsibility to manage liquor sales in the Territory and in order to do that, and do it efficiently, we have deemed it desirable to build a new store in Faro. That is where it begins and ends.

I have a hard time, too, with the Honourable Leader of the Opposition saying that we are not cognizant of the communities. What this budget reflects, Mr. Chairman, is that we are spending \$50,000 in Education on something other than on-going projects in the Territory. If we go then to the Department of Health and Human Resources, we are spending \$100,000 on something other than what are on-going projects in the Territory.

The Honourable Members opposite, Mr. Chairman, seem to think that we have an awful lot more latitude than we really do have when it comes to doing up a Capital Budget. There are projects in place that we are locked into, maybe because we took the decision to get into them last year, or because the decision was taken at some time previous to getting into them. They must be ongoing for the benefit of all of the Territory, notwithstanding the fact that there is actually very, very little new capital money in this budget. What we have allocated is \$1,250,000 in additional capital funds, specifically for the

Mr. Chairman, I agree, we cannot tell you where that money is going to be spent, because that is a decision that is taken by the communities that receive that money. And, under the terms and conditions of the present *Municipal Ordinance*, under which we are working, they do not have to tell us that until, I believe, January or February next. What we are telling them right now, is that we have \$4,250,000 allocated next year for community assistance, which is, I think, a major undertaking to the communities in the Territory.

I also want to make sure that the Honourable Leader of the Opposition understands very well, Mr. Chairman, that this Government has, and will continue to have, an unlimited amount of money available for children or people in need. We have not turned away, nor will we ever turn away, anyone who is in need. Now, Mr. Chairman, he is going to have a hard time convincing me that day care centres, per se, are for children or people in need. Mr. Chairman, we must not let him get away with making that kind of a statement in this House, because it is false and it is erroneous. If there is anyone in need, they are going to be looked after.

I want also to say to the Honourable Member for Whitehorse West that we are excited about the Old Crow Gymnasium scheme, and the way the thing has gone. It has proved to be a good exercise getting the local material together. It has created employment and a lot of interest in the community, and we are very hopeful that we can continue putting emphasis on local material and local hire for all jobs. If we can buy locally in any way, shape or form, we shall do so. We really are trying to do that.

So, other than those comments, Mr. Chairman, I would suggest that possibly we should get into the Budget in detail, and we can answer direct questions of the Honourable Members at that time.

Clause 1 agreed to

On Clause 2(1)

Mr. Chairman: I would refer you to Schedule A and to page 5 in your Budget, Department of Education, \$6,051,000.

Mr. MacKay: I appreciate that it is going to be difficult without the Minister of Education being here, so perhaps Mr. Chairman can tell me who is going to handle these estimates.

Hon. Mr. Pearson: I am sorry, Mr. Chairman, I overlooked that point. Yes, the Minister of Education is away; however, I am fairly confident that I shall be able to answer on his behalf. If there is something that comes up, we will take notice of it.

I think that we should be able to deal with the thing as objectively as if he were here.

Mr. Penikett: Mr. Chairman, this first item, Miscellaneous School Equipment, might I ask if this is a couple of large items for a couple of schools, or is it a large number of things for all the schools in the Territory? What expenditures are these?

Hon. Mr. Pearson: Mr. Chairman, experience over a lot of years has taught us that the life expectancy of classroom equipment, mainly small stuff, is five years.

This is an on-going item in the budget; it has been in the Capital Budget for years. It keeps going up a little bit. I would think primarily, Mr. Chairman, to reflect inflation. What happens is about 75 per cent of this allocation each year is spent on replacement. The other 25 per cent is spent on new or improved equipment.

Mr. Penikett: I just would like to ask if any of this equipment comes to us through local suppliers. I realize that there would be almost none of it manufactured here, but is this the kind of thing which is available to us from local suppliers?

Hon. Mr. Pearson: Yes, Mr. Chairman, an awful lot of this money is spent on a tender that is let in the Territory for delivery throughout the whole course of the year. Local suppliers are, of course, the major bidders on that kind of a tender.

Mr. Penikett: I wonder if I could ask the Government Leader in a general way if there are any local companies, such as Teslin Wood Products, for example, that have ever offered to supply the government with some furniture equipment which might suit the schools?

Hon. Mr. Pearson: I am sorry, Mr. Chairman, I cannot answer that specifically, but I do know that an awful lot of local companies are suppliers of equipment and materials used in the schools.

Mr. MacKay: Mr. Chairman, perhaps I could ask the Government Leader where one could find the cost of landscaping schools and things of that nature? By its absence, specifically here, does that mean we are not doing any more this year?

Hon. Mr. Pearson: No, Mr. Chairman, that is in the Operation and Maintenance Budget.

Mr. MacKay: I wish the Honourable Minister, formerly, of Education, were here to hear that answer, because I think he accused the Member for Faro for having said the opposite thing.

Hon. Mr. Pearson: Mr. Chairman, we have for years and years and years, again, had in the Operation and Maintenance Budget of the Department of Education, a lump sum amount. It is a little easier and a little different there, because we normally know exactly which schools we are going to landscape each year, and it is O&M money because it is the upgrading of something that does exist.

Mr. MacKay: This may be a bit out of order, Mr. Chairman, but I would like to know the rationale for landscaping 60 per cent of the parking lot in front of F.H. Collins, which is really our only public auditorium in Whitehorse. I am wondering why the government went to all this trouble to eliminate what was heavily used for parking at any time there was a function at the school?

Hon. Mr. Pearson: It is a most extraordinary form for such a question, Mr. Chairman, but I would be happy to answer it because I think I can. It was a recommendation and a request of the F.H. Collins School Committee, whom we listened to very, very sincerely, that this work be done. That is it, Mr. Chairman. The School Committee specifically requested that this be done, and we went ahead and did it.

Mr. Penikett: Mr. Chairman, just let me make a remark about that. There will always be, I would guess, demands or requests for services like French immersion, from the Government, which are not, at any given point in time, being met, and which we, on this side, or members of the public may be pushing for. While we might dispute about which should come first, I must say, for my part, I

am quite pleased to see the landscaping of the schools. I want to say, as someone who has spent enough time here, that I think for kids to grow up in the consciousness that their terrain and their landscape simply consists of mud or dust or gravel is not a good thing. I do not think there is any reason that the citizens of this community, or any other, should have to think that just because that is always the way things have been, they always have to be.

I quite like the rocks in front of Whitehorse Elementary School. I do not know what the kids are going to do with them. I used to have a friend who made sculptures for kids and he used to regard them as a success if the children broke them. I assume they cannot do that with the rocks. I must say I do like the improvement in school facilities. I do not like the notion socially that school yards are just places that you have to fence the kids in, or that public facilities generally have to be kind of ugly, institutional environments for people to work and play in.

We will always have, from some people in the community who feel their needs are not being met, complaints that too much money may be spent, like the federal government seems to be spending on the riverboat out here, and the grassing and the pavement and all that. I do think, because we are a young place, that money has to be spent on improving the appearance of the community. I think that, if tourists are honest to you when they come here, they will complain about the dust and the garbage and the general physical cleanliness of this place. The comments are not always done in anger; they are done in sadness some times. I think it is a reflection of our own maturity and our own responsibility and our own concern for our community, that we are beginning to try and clean up some of these things.

Mr. Chairman, I believe that the reference that was made by the Honourable Member for Faro, and the reference made just now by the Honourable Leader of the Opposition was to the on-going program of landscaping of schools throughout the Territory. That, Mr. Chairman, is something that, as I say, has been an item in the O&M Budget for a number of years.

Mr. Byblow: That is exactly what I was going to ask the Government Leader about. It is my understanding that there was \$100,000 allocated each year over a number of years. Is this the program that the Government Leader is referring to?

Hon. Mr. Pearson: Yes.

Mr. Byblow: It is. Okay, further then, it is my understanding that these monies have been expended, and there is no more money left for continued upgrading or beautification or landscaping of government properties in and around the Territory. Could the Government Leader confirm or deny that rumour?

I ask that specifically, simply because seemingly the school committee in my community was told that there would not be any landscaping next year in my riding due to this reason. Perhaps the Government Leader could comment.

Hon. Mr. Pearson: Mr. Chairman, I wonder if the Member is getting himself confused. Did they say this year or next year?

Mr. Byblow: Next year.

Hon. Mr. Pearson: Well, Mr. Chairman, it is interesting that anyone could say that, because we have not voted funds for next year, so, at this point in time, I guess it is safe to say that there is going to be no landscaping at any school next year. At this particular point in time, Mr. Chairman, I certainly hope that the responsible administrators in this government have got a very large majority, of the money voted this year for landscaping, spent. It was snowing this morning, so there is not going to be a chance for spending it very much longer.

So, I think probably the statement that all of the money for this year has been spent is probably a correct one. I would hope it is.

Mr. Byblow: Mr. Chairman, I wonder if the Government Leader knows how much longer this particular program will run? As I understand, it was a five year program of \$100,000 each year for half a million. Does he know?

Hon. Mr. Pearson: Well, Mr. Chairman, I feel very strongly, as does the Member for Whitehorse West, that this is some of the best money invested in this Territory, and I am hopeful that I will not be party to a budget going before this House that will not see that program ongoing. It may be, at some point in time, that this House will feel that this money can better be spent other places, but I personally feel that it is something that should be ongoing.

I am not sure that this was a program for a specific number of years. I honestly think, Mr. Chairman, that when it was started it was viewed as on on-going necessity in the Territory.

Mr. MacKay: I debated internally, Mr. Chairman, whether or not I should —

Mr. Chairman: And you lost?

Mr. MacKay: Yes, and I lost because I felt that perhaps record was to be left here, saying that MacKay was against beautification of school grounds, and that certainly was not the case. What the Government Leader did not really address in his reply was that, in the one auditorium that we have in this town, where we had such limited parking in the first place, why so much of that parking was taken away for the sake of putting in grass. Now, it could have been concrete or paving to get rid of all the mud and gravel, but it still would have served the purpose of a beautiful parking lot.

I fear greatly for the safety of the people of Whitehorse in these functions when they go there; they will be parking out on Lewes Boulevard in icy conditions and in the darkness and so forth. It could easily lead to an accident. I am sure the Government, in its wisdom, considered all this, and I would just like to know if they accept all the School Committees' recommendations without question, or whether in this instance they did, or did they in fact study the question of how much parking is available, and whether it will be sufficient to meet the needs of the kind of activities a school gymnasium holds.

Hon. Mr. Pearson: Mr. Chairman, I do know that, in this particular case, the recommendations of the School Committee were not accepted without question. There was a considerable number of questions asked. I cannot be absolutely certain of this, but I do not think that the actual, final design met all of the criteria of the School Committee. Hopefully, Mr. Chairman, there is sufficient parking around that building for future uses.

The Chairman: Miscellaneous school equipment, \$103,000, shall this item carry?

Some Members: Agreed.

The Chairman: Special education equipment, \$10,000.

Hon. Mr. Pearson: Mr. Chairman, this is a special item in the Budget, because it deals specifically with special education programs and learning aids for people who are involved in the Special Education Program. The kind of equipment that has to be purchased is quite unique.

Mr. Fleming: I find that to be a very small figure. Of course, I would be interested in knowing just where it actually would go, and where you actually have this special education, seeing that we do not have very much special education. For instance, in the area of Ross River, there is a very great need for a special education program. It is not there.

Also, while I am on the subject — I do not see it in the Budget here anywhere — is there nothing for adult education in Ross River? These are two items that are very much needed there. In a place such as Ross River, adult education is very important, for the very reason that there are many, many jobs that may become available, and those people who did not get the education before, could now upgrade themselves to a point where they could handle those jobs. Whereas presently, if they put in an application for a job, an outsider usually ends up with it.

I think special education is something that the Government should consider, especially Adult Education in Ross River and, of course, Special Education, too. I realize, of course, that it takes money to do them all.

I would be interested in knowing just exactly in what area that \$10,000 is being spent, because I do not know of areas where there is any Special Education, other than here.

Hon. Mr. Pearson: Mr. Chairman, this is not going into any specific area. It is for Special Education programs. It is equipment for Special Education programs, such things as phonic ears, special audio visual equipment, oversized equipment that is needed for these special programs.

In relation to Adult Education in places like Ross River, I am sure I simply have to remind the Honourable Member that we have embarked upon, and are well into, getting our mobile vocational training classes on the road, Mr. Chairman.

Mr. Penikett: I think it is commendable that the government is making this early commitment to this new spending in Special Education. As we obviously know, this is a very difficult range of needs to meet, partly because the individual needs, in particular kids with specific problems, tend not to be in large numbers in each type of problem and, therefore, it is not possible for us to hire the kind of range of specialists that it is possible for many larger communities to obtain.

In connection with this equipment, the Government Leader has indicated what kind some of it is. I wonder if some of it is intended for the Child Development Centre and if, given that this initial commitment may quite easily make the Government aware and more sensitive to other kinds of capital needs in this area, he would expect that we will see a similar expenditure next year, or perhaps even more?

Hon. Mr. Pearson: No, Mr. Chairman, these funds are required specifically for the Department of Education, not for the Child Development Centre at all.

Mr. Chairman: Special Education Equipment, \$10,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Haines Junction Dormitory, \$150,000.

Mrs. McGuire: I was wondering if the Government Leader would, just for the record and public knowledge, elaborate a little bit on the Haines Junction Dormitory, about the beginning of construction, capacity of the dorm, that sort of thing.

Hon. Mr. Pearson: Mr. Chairman, it is hoped that the construction will be able to start next spring. At the present time, there are fourteen students from Haines Junction and the surrounding area enrolled in Whitehorse schools and living in the dormitories here. We assume that their parents would much sooner have them living at Haines Junction.

I am not certain that the total size of the building has been determined at this point in time. We had, Mr. Chairman, \$30,000 in the Estimates last year, to start preliminary planning for the construction of this building.

Mr. Penikett: I would gather from that remark by the Government Leader that the plans are fairly well established for this building. Perhaps he might care to comment on whether the design will include the possibility of extensive use of local materials. On the question of local labour, I will ask him if the bid differential policy announced by his colleagues some months ago would apply in this case, or if there is any effective bid differential.

I ask him a question in the context of another issue which we debated a few days ago, which was the constitutional question of the economic union, if you like. There is some concern down east that Ontario might not get a fair chance to bid on contracts here in the Yukon or elsewhere. In passing, the Government Leader may not be aware of this but I discovered, to my amazement, when our friends from Ontario were here, that they have a bid differential policy in Ontario of ten per cent, to give their local people a preference. I do not know when, if ever, a contractor from Haines Junction ever went down to Toronto and built a skyscraper. It probably has not happened and is not likely to happen in the near future, given the way things go.

Hon. Mr. Pearson: Certainly the bid differential that we have in place will be in place, Mr. Chairman. But it must also be accepted that we are going to deal with a contractor from Old Crow as being a local contractor in respect to a job in Haines Junction or vice versa. If they are Yukon contractors, there is little doubt about it, in any job that we do, we hope the differential will help the local contractors.

Mr. Penikett: I cannot remember whether it was in Ross River or Mayo where I think the Government of the Yukon was renting a log building, perhaps it was Ross River. I think it was the Game Department. I wonder if the design of this dormitory will make use of local materials or is it going to be material that is largely imported?

Hon. Mr. Pearson: I am sorry, Mr. Chairman, I cannot answer that directly. I would guess that if we were going to be use local materials at Haines Junction, it would have to be logs or lumber from Beaver Creek, or conversely, from Watson Lake or something like that.

Mr. Chairman, I do know that most of the building supply firms here in Whitehorse use these particular suppliers for their material. In that way, if it is a local contract and material is being bought locally, I would say that local material would be used.

Mrs. McGuire: Perhaps the government would keep in mind, when they are determining the size of this dormitory, that it could be made large enough to accommodate children from other communities, rather than just Haines Junction and upper highway children from the same environment. All over the Territory, parents are faced with the same problem of sending their children out of their environment into a metropolis like Whitehorse.

Perhaps it could be kept in mind that they could make the dormi-

tory large enough to accommodate, say, double the number of fourteen.

Hon. Mr. Pearson: Mr. Chairman, I am sure one of the criteria is going to be the size of the school, and how many students the school can handle, as well.

Mr. Chairman, I think it would be poor for us to make dormitory space available in Haines Junction, to the detriment of the residents of Haines Junction and the Alaska Highway North. The primary object of the whole exercise, Mr. Chairman, was to make the schooling facilities available in Haines Junction for the people on the Alaska Highway North.

It may be possible, and might be very highly desirable, to do some shuffling, but it will not be a criterion, Mr. Chairman, or else we are in trouble with the size of the school immediately.

Mr. Fleming: I had a little question here on the whole aspect of \$150,000 for a dormitory at Haines Junction. The Government Leader has answered some of it by saying it is for some of the Highway North, not only Haines Junction. I could not see why you would want a dormitory in Haines Junction for Haines Junction people. I would think they would be at home and if they were not at home, of course, they could send them to Whitehorse if they felt like it, but if they are going to be there they would be at home.

I will ask the Government Leader if this is now going to be a policy of the government to build dormitories wherever they have upgraded the schools such as in Teslin and Faro.

Hon. Mr. Pearson: Mr. Chairman, it is a very difficult question to answer, and I think we are going to have to look at each instance in isolation. Certainly it is highly desirable, and because it is desirable, it will be something we will be looking at all of the time. But to say that we have adopted a policy that we are going to build dormitories in all of the major communities in the Territory, I am sorry, Mr. Chairman, I just cannot make that particular undertaking.

Mr. Chairman: Haines Junction Dormitory, \$150,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: School Renovations, \$350,000.

Hon. Mr. Pearson: Mr. Chairman, I thought I would jump up before the Leader of the Opposition this time, just to change the order of things.

Mr. Chairman, this money is required for the major renovation work. It is a program that we anticipate, over the years, will cost us \$1,765,000. This money is required primarily to complete the major renovations in Christ the King Elementary, and to start the major renovations in Christ the King High and Whitehorse Elementary, here in Whitehorse.

Mr. MacKay: With respect to Whitehorse Elementary, can the Government Leader tell us what kind of work is being done in that building, and does he anticipate the full use of that building as the years go by, with the shifts of population?

Hon. Mr. Pearson: Yes, Mr. Chairman, we anticipate that the renovation work in Whitehorse Elementary will take two years. It is very extensive, about \$1,000,000 of work. I think, Mr. Chairman, we can assure everyone that we are going to be using that building for a long time to come. The renovations will assist in the establishment of our audio-visual centre. Really, that is what a portion of Whitehorse Elementary will become.

As for it being a school, I foresee its being a school for a long time, maybe not the whole building, but we will always be using it in the context of the Department of Education.

Mr. Chairman: School Renovations, \$350,000. Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Faro School Addition, \$412,000. Shall this item carry?

Hon. Mr. Pearson: Mr. Chairman, I do not know that I can say very much about this, other than this is the wind-up of a project costing \$2,890,000 and it will see six new classrooms available, along with a full size gymnasium, at the Dell Van Gorder School in Faro.

Mr. Byblow: I think I applauded the Government when the first announcement of the first phase financing came through; I applauded a year ago when the second phase came through; and I will do the same thing again here now. The school, nearing completion, is an excellent structure. A tremendous amount of input from the local community went into the design of the building, and I

think that should be said for the record. The way that particular expansion was handled in design was commendable.

I would probably just note in closing that in accordance with the matter raised over the last week, I would respectfully request that the Government continue a close monitoring of the education situation in Faro. It is certainly not a "case closed" situation, now that you have just put on an extension. The expanding growth of the community is necessitating an almost immediate opening of continued expansion: preliminary discussions seem to indicate, and preliminary plans reveal, a separate school. As I have appealed before to the Government to pull this off the drawing boards in the next years, I now do so again.

Hon. Mr. Pearson: I would like to respond to the Honourable Member, because I recognize that he is very sincere in what he has been saying. I want to assure him, Mr. Chairman that we do, in our program forecast, anticipate the construction of a new elementary school in Faro in 1982-83. Mr. Chairman, I also want to assure him that, should circumstances dictate, we will have the capability, and we do have the capability, to change our priorities in respect to an item like that. I am confident that we would react positively to any indication that there was a requirement to move more quickly on that new project.

Mr. Chairman: Faro School Addition, \$412,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Whitehorse Junior Secondary School, \$2 million.

Hon. Mr. Pearson: Mr. Chairman, this is a major item. Again, this is the second year of an on-going program. We voted \$800,000 in the Estimates last year to begin work in respect to site selection, preliminary plans. So, here we are now with the site selected, the area designated. It will be in Porter Creek. It will be a junior secondary school and we anticipate that it would be in use by the fall of 1982.

Mr. Penikett: Mr. Chairman, this is the same school that I think Mr. Graham, last year, was speculating about putting a swimming pool and an auditorium in, if the money came through.

Is that still in the plans or still in the cards at all?

Hon. Mr. Pearson: No.

Mr. Penikett: Well, that is a pity. They lost their tennis courts? Well, I am not so worried about the tennis court, we have got a couple of those, but they might be—

Mr. Chairman: I am sure they will reserve a bike rack for you, Mr. Penikett.

Mr. Penikett: A bike rack would be very nice, Mr. Chairman, thank you.

I think many of us in this City have come to an agreement of the need of some kind of lecture hall/auditorium, some kind of acceptable facility: me being an equanimous, fair-minded person; I did not even object to it being in Porter Creek.

Mr. MacKay: We need some culture out there.

Mr. Penikett: We all do, Mr. Chairman. The Honourable Leader of the Opposition says we need some culture out there. Well, I think it is a community need.

This swimming pool is something we have been over and over again. I am still convinced that it is a much better use of the school facility to put these things in the school facilities and integrate the O&M. I think that saves everybody money, and you can work out an arrangement with the City. That is another debate for another time.

We are not really going to start building this thing. I do not think, right away. I would ask the government if they would seriously consider looking at this question of the auditorium again, the theatre/auditorium concept as it was originally outlined by Mr. Graham, because it is a good idea. I do not care whether it goes into this school, but I think the need for the community is great enough that if room can be found in this facility we should do it, for the sake of the whole community, and let me say for the sake of the whole Territory. I think there are many kinds of events, for the benefit of this community, that can only be carried on, perhaps, right now in Whitehorse, but even in Whitehorse there are no decent facilities to put on certain kinds of entertainments; certain type of lectures, and I think we need it.

Hon. Mr. Pearson: Mr. Chairman, I should have pointed out to Members that the anticipated total cost of the construction of this school will be \$5,800,000. That does not include the swimming pool,

nor does it include a lecture hall. I appreciate very much what the Honourable Member is saying, but, Mr. Chairman, we do get faced with certain parameters in respect to how much money we are actually going to be allowed to spend on the construction of these buildings.

Mr. Chairman: Mr. Bell, the Administrator, will be presenting Commissioner's Awards to Yukoners in the Members' Lounge at 4 o'clock. Many Members have indicated they wish to attend. I should add that the public and the media are also invited to attend this ceremony. We will therefore now recess for a few minutes.

Recess

Mr. Chairman: I will call Committee to order. We will continue with consideration of Whitehorse Junior Secondary School, \$2,000,000.

Mr. MacKay: Before I go into my main point on this, I would like to concur with the previous speaker about the need for an auditorium. Having been seated in the top of the bleachers with three children, watching the Governor General for two hours in F.H. Collins Gymnasium, it is not an experience that I would wish for anybody. I would hope that somewhere in our fancy finagling that we could work in an auditorium. But that is a small point.

The major point I want to make on this — and it is too bad that the Minister of Education is not here, because it is a point I raised in earlier debate and I would like to emphasize now — is that the whole concept of a Junior Secondary School should be looked at carefully. I am not questioning the need for more school facilities, particularly in the Porter Creek area. I am questioning the type of school that should be put in there. It seems to me that the arguments are getting stronger and stronger against a Junior Secondary type of school because it does create problems. I might mention that, since I first stated that earlier on, I have had quite a lot of feedback from the public and from teachers who have agreed with what I have said: that is, when you take kids in Grades 8 and 9 and segregate them, put them in a school for a two year period, perhaps even three, first of all they develop no loyalty to the school. They are transient, in a sense. They are only there for a short time.

The second point is that they receive no guidance from older school kids, nor do they have to give an example to younger ones. I question very much whether or not this type of junior secondary school is a useful way of going about it. An alternative has to be that we should go back to the old way of doing things, and that is an elementary school and a secondary school — elementary perhaps going to Grade 7 and secondary going from Grades 8 to 12. I would infer from that that there would be then a secondary school in Porter Creek. Naturally difficulties arise because perhaps if you spread yourself too thin between two high schools, you cannot offer the depth of programs that are available.

I tend to think that that is not necessarily an insufferable problem. There must be some way of perhaps directing streams of academic endeavour in each school in order to be able to cover, in sufficient depth, the curriculum that high school students demand nowadays. So I am urging the Government not to stop building a school, but perhaps to reconsider at this point, before they get too far into it, whether or not a junior secondary school is what you need, or if a secondary school which is Grade 8 to Grade 12 would not be a better idea for Porter Creek.

Mr. Chairman, the Honourable Leader of the Opposition's remarks are well taken. It is a very, very deep concern, but it seems we are faced with some irrevocable facts, and then some projections that seem to be catching us up, at this point in time. One of the projections is that by 1983 we will have 755 grade eleven and grade twelve students in Whitehorse. We are going to have to get ourselves, I think, into the position of being able to deal with those students in F.H. Collins, because it has the facilities to deal with those students.

The lack of space in our whole education system in the Territory, right now and in the foreseeable future, is going to be in that grade eight, nine and ten area.

Mr. Chairman, as I said at the outset, the Honourable Member's remarks are well taken. It is a concern. Both he and I have lived through it personally, and I have some strong reservations about junior secondary schools as well. With education being what it is today, with the specializing that goes on in education, it is just about necessary that facilities built for elementary grades be built for those middle years, and then for the senior years, because of the specialty of the education that they are getting.

It is something that, certainly, we will keep in mind at all times. Whether there is likely to be a change or deviation from this now, I

could not be certain at all.

Mr. Chairman: Whitehorse Junior Secondary School, \$2,000,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Old Crow School Gymnasium and Renovations, \$1,000,000.

Hon. Mr. Pearson: Mr. Chairman, we keep calling this the Old Crow Gymnasium, but I think just as significant to the gymnasium is that the remainder of the construction is going to provide that school with a home economics room, an arts room, a gymnasium and other renovations in the building. So I think we must not lose sight of the fact, Mr. Chairman, that what is happening to the Old Crow School is not just the construction of a gymnasium. There are additional classes that are going to be provided as well.

Mr. Byblow: Mr. Chairman, to what extent is this particular project in place, now?

Hon. Mr. Pearson: Mr. Chairman, the logs have been cut, and are stockpiled in Old Crow.

Mr. Chairman: Old Crow School Gymnasium and Renovations, \$1,000,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Carmacks School Renovations and Additions, \$800,000, shall this item carry?

Mr. Tracey: Seeing as how the Government Leader is not going to comment on it, I would like to comment on it. I am very happy to see this one and the next one, the Pelly Crossing School, in the budget. As I stated last year, I am only sorry that construction had not started this year.

I certainly hope that we get started early in the spring and, speaking for the residents of Carmacks and of Pelly Crossing, I would like to say that we are very happy that the Government is taking this step.

Mrs. McGuire: I have a question on the additions to the Carmacks School. Does that mean additional rooms for higher grades?

Hon. Mr. Pearson: Mr. Chairman, what is happening is that we are going to have the construction of a gymnasium and four classrooms. The four classrooms will consist of a shop area, home economics, a commerce room and a science laboratory. So there are additional classrooms as well as the gymnasium.

Mr. MacKay: I would perhaps like to echo some of the sentiments expressed over there about building rural schools, and this is one of the areas where I will be endorsing the Government's spending plans. I think it is a very important resource that we are nurturing here and the kids out there are going to be well served by these additions.

Mr. Chairman: Carmacks School, \$800,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Pelly Crossing School, \$800,000.

Some Members: Agreed.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Audio-visual Centre equipment, \$20,000.

Hon. Mr. Pearson: Mr. Chairman, this is the second year of a two-year program. We indicated that, in order to bring our Audio-visual Centre up to snuff, we required some \$40,000 worth of capital equipment, because all of the equipment in the Audio-visual Centre has become obsolete with the new technology that is on the market now. So this is the second year of the two-year capital program to get that equipment. We had \$20,000 in our Capital Budget for this current year.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Carried. Yukon College, \$200,000.

Mr. MacKay: I would like to get a fairly thorough up-dating from the Minister here as to the progress of the Daniel Lang Memorial College, as it has become known to this Assembly.

Hon. Mr. Pearson: Not on your life, Mr. Chairman, not on your life! I am sure all Members will recall that last year, when we voted \$220,000 towards this project, we said that we were looking at a project that was going to cost us in the neighbourhood of \$15,000,000 to \$16,000,000 in the final analysis. We were looking at concepts. What has happened, Mr. Chairman, is that we have now

identified what we think is a suitable site. It is the area immediately north of the Correctional Institute in Camp Takhini.

There were a number of sites looked at; this site was chosen. I think one of the major criterion was the availability of the municipal services to such a centre.

It would be our intention to continue with the planning of Phase 1 of this whole project, Mr. Chairman, which will be to provide the facilities primarily for vocational and industrial arts courses.

I am sorry, I cannot really say too much more, other than that we have got a site now and it is simply a case now of going to work at it. We had, in our program forecast, if my memory serves me correctly, I believe about \$1.5 million this year. As you can see, because of priorities in respect to available capital funds, we have cut that back to \$200,000. So, really, Mr. Chairman, I am sorry to report we are really in nothing more than a holding position at the present time for this year.

Mr. MacKay: The piece of land you mentioned, first of all, could you confirm that it is in the riding of Mr. Penikett— this might entail a change of name— and also whether you have acquired the property or who is the present owner of it?

Hon. Mr. Pearson: Mr. Chairman, I cannot recall exactly whose riding it is in. Frankly, I did not bother looking. I would suspect, though, that it is in the Honourable for Whitehorse West's riding.

We have put a reserve on the land at this point in time. It is dedicated to that.

Hon. Mr. Lang: Mr. Chairman, I just want to clarify for the Leader of the Official Opposition, Porter Creek East does come a fair way south of the area that is already settled and I am sure that the area that has been allocated will take in a portion of Porter Creek East and we may even extend into Whitehorse West, if the Member for Whitehorse West is for the program. If he is not, then we will probably be keeping it in the confines of Porter Creek East.

Mr. Penikett: Before the Member for Porter Creek East or anybody else goes spending \$15 million of the public's money, because there are taxpayers in my riding, too, I hope we will have a chance to have a fairly complete little chat about this project.

Not to be facetitious at all, but the Government Leader referred to concepts and I think, as he will recall from the budget debate this spring and the spring before, about education and training and employment and in trying to deal with the problems in that area adequately and the criticism of present programs that has been made by industry and by the labour movement in the Territory, that it is a very tough subject. It is going to be a tough thing to do well. It is going to be a tough thing to know exactly what programs to offer in a school; it is going to be a tough thing to know how to build such a facility to really meet not only the needs of today for the community, but to be able to project and anticipate what kind of employment needs and what kind of skill needs that are going to be required down the road.

In any case, I will make it quite clear right now that I am not opposing the project, but I do want to make sure that we can have some kind of statement, when the Government has its concepts clarified, when it has its plan well formed, when it has a well detailed proposal. I hope that, by way of a Ministerial Statement or some other means, they will come to the House and outline it, and give us a chance to perhaps kick it around in some very complete way, get reactions from constituents and from the interested public, before we get too far down the road into this project. I think it is a potentially very profound and important undertaking for the Territory, and also it is something that we want to make sure we do not make any mistakes on, when we do it.

Hon. Mr. Lang: Just following through what the Honourable Member has said, my understanding is that some of these monies will be allocated to the architectural concept of the facility that would be needed in, say, Phase 1 to Phase 5 and down the road, to give an idea from a visual point of view of what the area looks like, plus what it could look like over time, and give the opportunity that the Member speaks of. Members will be able to have a look at it, as well as will the public, to get an idea as to what should happen or what should not happen.

Mr. Penikett: I am not concerned with what it looks like. I am more concerned about what it is going to do.

Hon. Mr. Pearson: Mr. Chairman, it is a valid point that the Honourable Member has raised and one that we can, without hesitation, assure him is going to happen.

Mr. Chairman, what we are trying to do is be as comprehensive

as we possibly can. The reason that we feel that we have to spend some of this money now is that, if we do not spend it on this facility, we are going to have to spend it on the existing Vocational School facility, and we feel that that would be a mistake. We should begin now, because we have a necessity, and it is identifiable, to expand our vocational and technical training centre. We do not particularly want to do that with the college thing immediately on the horizon.

Mr. Penikett: Let me ask the Government Leader a very serious question. I want him, just for a moment if he can, to disregard the frivolous jousting that we were doing in Question Period today: I want to make to him what I regard as a very serious proposal, based on the practice in certain European countries, particularly Austria. It has become the practice in that country, where the public builds large buildings, whether they are schools or places of work or whatever, to set aside a space in that building for the operation of day care facilities by employees, workers or residents whatever they are in those buildings, not to be operated by the Government, but just physically leaving a corner of the building.

This expenditure has resulted in an enormous saving to the community in terms of transportation costs, lost time through absences at work, all number of benefits. In fact, in Vienna now I think they even require it in large apartment buildings. I am not proposing we go that far. I do not even want the Government Leader to give any commitment at this point, but I would certainly hope that someone would look at the possibility, now that we are in the conceptual stage of designing a number of large facilities in the Territory, a new school in Porter Creek, a Yukon College possibly, and a number of other buildings, if this is one consideration the Government will have a look at just because we do live in a place where it is expensive to move people around, and expensive to pay for lost time through loss of work and people who have to stay home with their kids, just to improve the sort of general, if you like, social climate and the opportunities for people to be able to go to work and be able to keep jobs.

Mr. MacKay: Before we leave the topic, Mr. Chairman, as this might be the last opportunity I have of discussing it, I would like to wish the government luck in their Yukon College that is in the budget, and that should there become a serious dispute between the Member for Porter Creek East and the Member for Whitehorse West, they should recall that the Leader of the only Party which had this on their manifesto last time was the Liberal Party.

Mr. Byblow: I guess I have a riding, too, that could easily accept the college. In fact, that is exactly what I was going to address, not with the intent of receiving a response, but the Government Leader and, particularly, the Minister of Education, are very, very much aware of the discussions that have gone on with respect to industry and the possibilities of an extension of such a facility in an outlying community.

I am not soliciting capital investiture. I am simply pointing out that there are some mechanics in place that should not be forgotten or ignored, with respect to a trade and vocational type of facility in my riding.

There have been discussions with mining concerns in Yukon and southern BC, and there is a distinct interest. It certainly is not going to detract from any kind of a facility that exists here now or in the future. It is an enhancement, and I think the program that is being talked about is simply a mining course, with the scale of equipment use that is used in Yukon. The existing facilities do not, or cannot, apply that scale of equipment.

I leave it there. It has been referred to in my brief. The discussions are certainly taking place, and I will simply urge that it not be forgotten or ignored.

Hon. Mr. Pearson: Mr. Chairman, I want to put the Honourable Member's fears at rest. This particular program has absolutely no bearing or reflection upon what is being proposed with the mining industry. That is something that we are deeply committed to and we very much want to see it go ahead, Mr. Chairman.

Mr. Chairman: Yukon College, \$200,000, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Vocational Centre Equipment, \$83,000.

Hon. Mr. Pearson: Once again, Mr. Chairman, it is very difficult to itemize, particularly this early in the year. It is to replace worn out and outdated equipment as it is required during the next fiscal year.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Vocational Centre House Project, \$73,000.

Hon. Mr. Pearson: Mr. Chairman, this is part of an on-going project started a number of years ago. The Vocational School, as part of their training program, builds one house each year and then sells that house on the open market.

It has proven to be very successful and very popular, a very popular course in the past, and we would like to see it continue. It requires this capital to be voted each year.

Mr. Penikett: Just a question: does the Government Leader recall, given what we spent on the house last year, what it sold for?

Hon. Mr. Pearson: I am sorry, I can't say, but, Mr. Chairman, I will find out and make sure that he does know.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Elsa School renovations, \$50,000.

Hon. Mr. Pearson: Mr. Chairman, as I pointed out earlier, this is the only new item in the Capital Budget of the Department of Education. The Elsa School was built in 1958, and is in dire need of some extensive renovations. We feel that if we do not do them now, we are going to lose the building. It is getting that critical.

Mr. Penikett: Under the provisions of Standing Order 70, I move that the Member for Mayo now be heard.

Mr. Hanson: Double the amount.

Mr. MacKay: I guess my question was going to follow along these lines. Presumably, if it is that bad, are we just avoiding the issue of a new school, or, to put it another way, does the Government have some firm projections from the mine there, as to what kind of life it has left? And, are they still going on a two-year basis, based on whenever the labour contract comes up and the mine is about to close? How much future planning has this Government made?

Hon. Mr. Pearson: The renovations that are required are to doors, windows, and this kind of thing, primarily in the school. The building, structurally, is a very sound one. There is no doubt about it, the structure is sound. It is the doors and windows and things of that nature that have to be replaced. As I have said, they were put in there in 1958, and the winters in Elsa can be pretty tough. Now, Mr. Chairman, that school was built in 1958, when the life of United Keno Hill Mines was projected to be two years. The last couple of years, United Keno Hill Mines, which has been in operation since, I believe, 1946, this time, and there was another company in operation before that, are now saying they have five years of life left. So, I anticipate that there will be a requirement for the school, and this \$50,000, will be a minimum investment, very well spent.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: I refer you back to Schedule "A", Department of Health and Human Resources, \$342,000, and to page 12 in your Budget. Furniture and equipment, \$50,000. Shall this item carry?

Some Members: Agreed.

Mr. MacKay: Sorry, Mr. Chairman, I was waiting for the opening statement from the Minister. If she is not going to give an opening statement, perhaps we could have a brief explanation of how many group homes the Department is now operating, and in what towns. I guess that will be all right for that first item.

Mrs. McCall: Mr. Chairman, there are six Government-owned group homes, and two senior citizens' lodges. I was not going to give an opening statement, Mr. Chairman, because it is all very straightforward and very simple.

Mr. Chairman: I might draw members' attention to pages 13 and 14 for some further information.

Mr. MacKay: Yes, the Minister did not answer the question of where these group homes are located at. Are they all in Whitehorse or are there some in the outlying communities?

Hon. Mrs. McCall: Mr. Chairman, they are mostly in Whitehorse. There is one in Dawson. I cannot think just exactly where they are, but they are mostly in Whitehorse.

Mr. Chairman: Renovations, Group Homes and Senior Citizens' Lodges, \$36,000.

Mr. Byblow: In a general sense, with this item, the one previous and perhaps even the one after it, is there going to be any relocation of furniture or equipment from the Wolf Creek facility?

Hon. Mrs. McCall: Mr. Chairman, I would doubt it, really. The furniture and most of equipment is well used at Wolf Creek. I cannot say exactly, but I would really doubt it.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Detox Centre Equipment and Furniture, \$6,000.

Mr. MacKay: I do not want to pounce upon \$6,000 as being a great item to spend a lot of time on, but I would like to bring to the Minister's attention some interesting opinions that are being expressed. In the late summer, I surveyed my constituents. I sent a letter requesting them to express some opinions on various items and the questions were, of course, ones that I thought were important and were perhaps placed in such way that I wanted to get certain answers. Some of the responses were quite surprising.

Of course, one of the questions I asked was whether my constituents thought that alcoholism and drug problems were very serious in the Territory and the overwhelming answer was yes. To that extent, it seems the public is well aware that we have a problem and that is good. In a sense it is good. It is not good we have the problem; it is good we have the awareness.

But the other part I thought was even more interesting was that in the question of what there should be more government spending on, and there were three answers I suggested, one was in education and one was in treatment and one was in stiffer laws. The overwhelming majority of the people wanted to see more treatment and more education with respect to treating this problem.

Therefore, in the light of that, I am just bringing it to your attention, there is not a lot of resistance from the people out there to this government going out in a big way trying to—I appreciate I should not be talking to the Minister. I should be addressing the members at the back—make a bigger effort to combat alcoholism and drug abuse.

So, I stated it in previous budgets and other debates. I am re-emphasizing it here that I would strongly support moves in that direction, the education and treatment facilities for alcoholism and drug abuse.

I think the single most important issue that faces your Ministry is dealing with that problem.

Hon. Mrs. McCall: I want to thank the Honourable Leader of the Opposition. I appreciate that support. It is something that means a lot to me. I think that the public has become more aware of this problem and this is very gratifying to me. You bring up the subject of more treatment while we were talking about Detox which is of course the Detoxification Centre and the treatment centre being Crossroads and so on, but to know that there is that sort of support and awareness in the community is very good.

Mr. Chairman: Detox Centre, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Northern Health Services - Construction, \$50,000. Shall this item carry?

Mr. Fleming: I realize \$50,000 is not such a terrible amount but when you consider it to be the Yukon's share, I would say that probably the item would be fairly extensive. I wonder if the Minister could provide us with the area of these capital expenditures on these facilities.

Hon. Mrs. McCall: I think I understood the Honourable Member to want more of a breakdown. These funds are to update the Beaver Creek Health Station as a full time nurse will be in Beaver Creek now and then minor renovations to all other health centres and stations.

Some Members: Agreed.

Mr. Chairman: Northern Health Services - Equipment Replacement, \$100,000.

Mr. Byblow: I would ask the Minister: what is the formula or the agreement with respect to the sharing of this particular kind of cost item?

Hon. Mrs. McCall: Mr. Chairman, the cost sharing is 70/30 with the Federal Government. We pay the 70 per cent. This particular item is for equipment replacement and vehicle replacement throughout the Yukon.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Rehabilitation Centre, \$100,000.

Hon. Mrs. McCall: Mr. Chairman, I would just like to say that I am terribly pleased. I was very worried about the Centre's lease coming to an end at the end of January 1981. I think the new building will be very suitable. It will require some renovations, not

too extensive, though; it is going to be a more pleasant building for the Centre. It is twice the size of the old centre, so there will be a lot more leeway and privacy for consultation and better workshop facilities. Altogether, it is a very happy story.

Mr. MacKay: Is the Minister in a position yet to say where this building is located?

Hon. Mrs. McCall: It is one building over from the Salvation Army, on the side street. It was the Total North Building.

Mr. MacKay: That is a nice building, Mr. Chairman.

\$100,000, obviously, is not the full cost. How much of that is going to be raised privately by the Rehab Centre? Is the Minister satisfied they can carry out the purchase in the first place? In the second place, with a much higher overhead, presumably, are they going to have sufficient funding available to fully utilize their new premises?

Hon. Mrs. McCall: Mr. Chairman, they will require a lot of public support and have plans to get out and raise money themselves. They have a little money in hand and, with this, they are negotiating favourable mortgage terms, not quite finished yet.

They are hoping for more public awareness. Next year will be the Year of the Disabled and, as with the International Year of the Child, a United Nations sponsored year. They are hoping for lots of public support.

Mr. Byblow: One of the areas that the Rehab Centre catered to was, in particular, a project that has recently shut down. I am referring to Redit Enterprises. I believe it was. It used to employ the handicapped and the disabled as part of a larger project.

In light of the fact that this particular organization is no longer supplying that need, does the Minister see anything coming into place to fill that vacuum of providing employment of some sort during this process of rehabilitation?

Hon. Mrs. McCall: Yes, Mr. Chairman. Because of the changeover, there will be a lot of changes in programs. They are working on establishing new programs, finding new ways to employ the disabled, and public awareness, so that disabled people are employed, because they are very employable. Yes, there are many plans to employ the disabled and, for improved methods of training over what has been.

Mrs. McGuire: I was wondering, Mr. Chairman, if the Minister knows if they have made any sort of requests from, say, any program under DREE, for funding, or do they qualify for that sort of thing?

Hon. Mrs. McCall: Mr. Chairman, I do not know that. I do not think that they have, I am pretty sure. In fact, I know that they have not, but it is something they can always look at. I do not know if they qualify, really. It is an interesting question, though, and I will put it to them.

Mr. MacKay: I appreciate the Minister has a very sunny and optimistic disposition, but the answer that she gave me was not very clear, as to how the Rehabilitation Centre expects to be able to continue its operations with the larger centre. Is the Minister saying that they will have to rely entirely upon public support in the coming year? Is that what she is saying?

Hon. Mrs. McCall: Mr. Chairman, I did not. I thought that the Honourable Member opposite was referring to the capital costs. You are referring to the O&M in the future, which will be covered by government funding.

Hon. Mr. Pearson: Mr. Chairman, if I might elaborate just a little bit on this for the Honourable Leader of the Opposition. It is anticipated that what this \$100,000 will do, will be to allow the Rehabilitation Centre to purchase a mortgage on their building, that will cost them less money than they are presently paying for rent. They have done projections in respect to O&M in the new building, having a mortgage to deal with at that time, and they anticipate that their costs will be less because of being able to get this mortgage, as a result of being able to get the \$100,000.

Mr. Chairman: Rehabilitation Centre, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Refer to Schedule "A", Municipal and Community Affairs, page 17, \$8,067,000.

Hon. Mr. Lattin: Now, Mr. Chairman, I am not going to make any introductory statements. I think as we go through these individual items, I will answer any questions that are asked.

Mr. Chairman: Fire equipment, \$20,000. Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Ambulance replacement, \$22,000. Shall this item carry?

Mr. Fleming: I would just like to know where that ambulance replacement is, that is all.

Hon. Mr. Lattin: Mr. Chairman, that ambulance is for Haines Junction.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Roads, streets and sidewalks, \$100,000.

Mrs. McGuire: I wonder if you can give us the run-down on what communities will be receiving these benefits?

Hon. Mr. Lattin: These are funds for upgrading the roads, streets and sidewalks in various communities. Projects known to require funding over the next few years will be Old Crow, Mayo, Teslin, Carcross, Haines Junction and Carmacks. But these are just general, at this particular time, for upgrading the streets and sidewalks in the various communities.

Mr. Fleming: Yes, Mr. Chairman, I understand that now, and I was going to ask that question. However, there is something else I wanted to ask. In all of the L.I.D.s, such as Teslin and Mayo, and some of these places, they turn in a budget every year, and I presume that this now is done by the Government, and as those budgets are turned in, you allot funds to each one. Is that true?

Hon. Mr. Lattin: Yes, Mr. Chairman, that is correct.

Mr. Penikett: Mr. Chairman, I wonder if the Minister might philosophize for a moment on the reason that this amount has declined by 50 per cent from the estimates in the previous year, and if this is a trend, or is just a temporary operation?

Hon. Mr. Lattin: Mr. Chairman, I would say that it is just a temporary thing on account of the restraints on money available. We felt that the streets in most localities were not in such bad shape. We had to cut back and that is one of the areas in which we did cut back this year. This is only a temporary thing, I pray.

Mr. MacKay: I did not quite understand the exchange between the two previous speakers and perhaps I could ask in my own accounting language. This \$100,000 will be budgeted by L.I.D.s? Is that what the Minister is saying? Therefore you will dispense \$100,000 to the L.I.D.s to maintain their streets? Is that the way this budget items work?

Hon. Mr. Lattin: That is my understanding, correct.

Mr. MacKay: I hate to pass one thing and then come back to something later on, so can it be asked at this point if, further down when we get to Community Assistance Program, does that include costs for the upgrading of roads, too?

Hon. Mr. Lattin: I direct the Honourable Member's attention to the fact that we are talking at this particular time about Capital Expenditures and this is talking about new capitals that will be expended in these particular communities as opposed to O&M.

Mr. MacKay: That was certainly the intent of my question, to ask as to the allocation of capital funds with respect to road upgrading. My question is, to repeat it, does the Community Assistance Program include funds for upgrading of roads, streets, sidewalks in communities?

Hon. Mr. Lattin: Yes, Mr. Chairman, it does.

Mr. Penikett: Correct me if I am wrong, Mr. Chairman, but it seems to me that what is perhaps slightly at fault here is the narrative.

As I understood the Minister's answers, this item is to provide for upgrading of roads, streets and sidewalks in L.I.D.s, rather than those communities and municipalities which are beneficiaries of the Capital Assistance Program. If the narrative were improved slightly, and it seems to me it is within our power to do that, to specify that that is for L.I.D.s, then we would not have the confusion between the Capital Assistance Program and that.

Hon. Mr. Lattin: Mr. Chairman, I hope in the next budget that we bring forward with the new *Municipal Ordinance*, we will be considering that this will be alleviated and in the future we will have no problems.

Mr. MacKay: I will be interested to hear the Minister's answer when he talks about upgrading something in Old Crow and how that is all going to fit under your new *Municipal Ordinance*. However, that is another argument for another day.

My question would be: that \$100,000 seems to be such a small amount for the large number of communities that you mentioned. You were not by any means exhaustive of the number of communi-

ties. You mentioned some roads in Teslin, and Mayo I think you mentioned, though perhaps not. It was Old Crow. I did not hear Watson Lake. I did not hear Haines Junction.

In any event, spreading \$100,000 thinly over all these things, I cannot see what you are going to achieve, other than not barely maintaining the status quo. In light of my earlier remarks about the quality of life in these communities, it would seem to me this is the very area that we should be looking at to improve upon and not to decrease.

The people in these communities should be looking toward getting a better standard of roads, and I mean paved roads, in these communities. I cannot understand why we cannot pave these roads when we are paving highways all the time. Perhaps the Minister could explain this set of priorities to me.

Hon. Mr. Lattin: Mr. Chairman, I cannot see that paving of highways and paving of streets have any relationship to one another. I think we would be remiss in spending highway monies in different communities on paving the streets.

The other thing about paving streets, Mr. Chairman, say in the community of Whitehorse, the people, themselves, have been responsible for paving streets, and it has been charged directly to them. I do not think in the outlying communities that they are talking about, that in many cases they have the traffic that warrants paving. I would also say, Mr. Chairman, that probably it is not a lot of money, and I realize we have probably cut back through constraints on spending for this particular year. But I would also respectfully submit that we are not starting from scratch, these people have most of these facilities in place now. What we are doing is providing this money for the upgrading of these facilities. I do not think that, because we are not spending that particular amount of money this year, that we are neglecting them altogether, because they have, in most cases, most of these facilities now.

Mr. Hanson: A good way to explain this, Mr. Chairman, is, for instance, in the LID budget for Mayo, we probably have \$5,000 in the budget for this year, so as a sewer and water job is completed on a street, we will haul in gravel and finish that street. We do not have sidewalks, but we do have a street better than we had before, anyway. Normally, that is what happens. Every year you will have \$5,000 thrown into your budget for streets, and that is for upgrading certain streets that have major work done on them.

Mr. Chairman: Committee will recess until 7:30 p.m.

Recess

Mr. Chairman: For the record, Committee is considering Bill Number 38, *First Appropriation Ordinance, 1981-82*. At the present time, we are considering Municipal and Community Affairs. The particular item is Roads, Streets and Sidewalks.

Mr. MacKay: Just before recess, Mr. Chairman, there seemed to be a little bit of confusion between the budget for Roads, Streets and Sidewalks of \$100,000 and that which would be spent under the Community Assistance Program, where these two overlap. I was wondering if the Minister has had an opportunity to review that, and can he tell us now if the \$100,000 represents all the capital funds budgeted by this Government for improvements in roads in the communities?

Hon. Mr. Lattin: No, Mr. Chairman, the \$100,000 that we are talking about here is for improvements to the unorganized communities, and this is outside the realm of the Capital Assistance Program. Maybe I misled you before, I apologize if I did. This is outside that particular aspect of it.

Mr. MacKay: So to pursue it to the conclusion then, it may well be that upon the decision of various communities, under the Community Assistance Program, that they will spend money on roads, but as far as L.I.D.s and others which are not eligible for capital grants, the \$100,000 is it. I guess the point I would like to make, if I have understood all that correctly, is that that seems to be terribly inadequate for these communities. I will say no more about it because I have repeated myself too many times, other than the fact that I shall be voting in the negative on this budget.

Hon. Mr. Lang: Mr. Chairman, I think that there should be one thing clarified: I think that the Member opposite should read the Capital Assistance Program, because L.I.D.s are eligible for certain funds under certain conditions. He is confusing two areas of financial assistance to the communities. This is almost exclusively for the unorganized communities, yet at the same time helps offset some of the costs to the L.I.D.s, necessary, as far as the upgrading of some their streets.

I think the Member opposite is obviously confused between the two programs. If one looks down below, my colleague has supplied an ample amount of money to the Capital Assistance Program for the major things that the Member is referring to for the upgrading of physical amenities within communities. So I do not think the Member should be using this as an excuse to say that the total Budget is of no value. If one looks at the particular Municipal and Community Affairs budget, they have got a fair amount of money to help with the necessary amenities in all communities throughout the Territory, which, at least on this side of the floor, we see as priorities. If the Member opposite can see it as well, then I am sure he would vote for it.

Mr. MacKay: It is too bad the former Minister was not listening to our debate before the recess, or he would not have covered all that ground all over again. It is too bad he gets confused about these things. Operations — when you are talking about Capital. However, it is not too bad that he gets me irate, I suppose. I shall repeat that I do not think \$100,000 is enough in this area and leave it at that.

Mr. Penikett: Let me come to the rescue and present the neutral non-partisan direct question to the Minister. I am sure the previous Minister had a nice supper and is now burping it up to us, but that it is not what I want to hear.

Let me ask the Minister, is the narrative on this thing strictly accurate. It seems to me Mr. MacKay just now was talking about this \$100,000, or perhaps it was Mr. Lang, as if it were just for unorganized communities.

Hon. Mr. Lang: No, I said some for L.I.D.s.

Mr. Penikett: And some for L.I.D.s. It seems to me much of the problem we have had and the time we have spent in this section might have been solved if the narrative had had a couple of words added in order to make it more precise.

Hon. Mr. Lattin: I shall take the suggestion of the Honourable Member and probably next year we will keep that in mind while preparing the Budget.

Mr. Fleming: After all this back and forth, I get more confused as we go along, because really if it is just for L.I.D.s then it should be put in here that it is just for L.I.D.s, but I do not think it is that, it is for all communities. The \$100,000 is not very much, I realize this, but there is a capital assistance that they can get, so therefore it is not necessary that there is a lot of money in here.

However, why, I wonder, is the \$100,000 there? This more or less seems to be a token or something, that goes through the budget to do things, and correct me if I am wrong, but to me it looks as if this could do things that are probably smaller than the Capital Assistance Program might be, just to do little odd jobs. I would like a little more clarification on it, really, because it is kind of mixed up with the Capital Assistance Program.

Hon. Mr. Lattin: This program is an upgrading of the roads and drainage system; it is on-going. It is of a magnitude to require capital funding. This program, in effect, is minimizing the maintenance required on the roads once the standards have been reached. These projects are projects such as the river stabilization, drainage systems, upgrading roads, revision, probably, in the future, the C.H.I.P. construction program, things of this particular nature, things that are probably not major capital expenditures and yet are a little bit beyond the realm of general maintenance type projects.

Mr. Byblow: To try to shed some further light on this, I think all that is really being said is that the vote that we are looking at, for Roads, Streets and Sidewalks, in the amount of \$100,000, simply supplements the Community Assistance Program. Now I would ask one question there. Is that because it does not qualify under community assistance, and you still need this money for those services, or as the Honourable Member has suggested, is it to offset community assistance funding?

Hon. Mr. Pearson: Mr. Chairman, the Honourable Member for Faro is very close to the point. There are communities in the Territory, there are unorganized areas that we like to treat as communities but do not qualify for the Capital Assistance Program. These monies are spent primarily in those areas. If there is money left over then we do make it available to L.I.D.s, to communities, that do qualify. We try to spend all of this money every year if we possibly can.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Local Services, \$125,000.

Mr. MacKay: I would like to comment that this appears to be quite well described, and we note that it is for both L.I.D.s and unorganized communities. The question is, I suppose, how do you arrive at \$125,000 being sufficient? Do you already have requests from L.I.D.s or is it an arbitrary figure; is it a revolving fund we are involved in? Perhaps some background on this would be useful.

Hon. Mr. Lattin: Mr. Chairman, I believe that that would be considered an arbitrary figure. I think we take into consideration requests in past years and then come up with an arbitrary figure.

Mr. Fleming: I want to ask a question then. For instance this is the L.I.D.s. The L.I.D.s have their budgets in now have they not? Not for this budget? Okay. I think I understand now.

Mr. Chairman: Local Services, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Land Development, \$500,000.

Mr. Penikett: Where, Mr. Chairman?

Hon. Mr. Lattin: As you are aware, we have quite a bank of land developed today, but we have certain areas of Yukon that need some, Beaver Creek, Carcross, Dawson City, Faro, Mayo, Ross River and Watson Lake. Our requirements are down considerably, to what we needed a few years ago.

Mrs. McGuire: Since we have such a bank of land available today, I was wondering if there was any consideration given to a half price sale?

Hon. Mr. Pearson: I want to blow that one out of the water right away.

Mr. Chairman: She has just been shopping too much.

Hon. Mr. Pearson: Our land bank, and the horrendous costs of it, Mr. Chairman, are reflected primarily in the Hillcrest subdivision. We found it necessary, in order to get into the development of the Hillcrest subdivision, to put in the trunk sewer and trunk roads, trunk waterlines at a very, very high cost. As a consequence of that, we anticipate the future development in that area will be cheaper, but the costs are something that have to be recognized now.

Mr. Chairman, having all of this land in a land bank in Hillcrest does not do us any good in the Honourable Member for Kluane's hometown. If there is a requirement to develop land there, we must try and do that to meet the demands of the people of the Territory. I would guess, Mr. Chairman, that everyone would agree, it is always money well spent to develop land throughout the Territory for the people's use.

Mr. MacKay: I would suggest to my honourable colleague that it is only if the government was about to go bankrupt that it would be selling at half price. One never knows.

I guess the question I had was: are there any land needs the Minister is aware of that will not be met in this coming year?

Hon. Mr. Lattin: No, not that I am aware of. We should supply all the land needs in these communities.

Mr. MacKay: So I can take it then that Government is not experiencing any difficulty in getting enough land to develop at this point?

Hon. Mr. Lattin: Mr. Chairman, I was referring to in the communities, and I do not think we are in the communities now. I am not talking about the over-all thing. I think he is putting words into my mouth that I do not think I uttered.

Hon. Mr. Lang: Mr. Chairman, I just have one other comment to make with respect to the land availability: I trust that it will not take another seven years if we need, say, thirteen acres in Haines Junction or something like that. Hopefully, our needs can be met. When the development is required, we can get the appropriate transfer so we can supply the land.

Mr. Byblow: Such partisanship. As a matter of policy, can the Minister explain the range of land development that is eligible, say, under this particular vote? Is it strictly residential, or is it partly residential and other types of development? What is the range of development? And perhaps a further break-down on where the half million is going to be spent?

Hon. Mr. Lattin: No, it is not strictly residential. It could be commercial, industrial, that type of thing — country-residential, recreational, the whole caboodle. It is definitely not just residential. I can give an example of that locally; in Whitehorse, we have commercial, industrial, those types of lots, and country residential. So you can see it covers them all.

Mr. Byblow: Again, in this particular vote, is this money already identified, as to what it will do, in terms of developing land

in whatever community or area of the Yukon that it is going to be taking place?

Hon. Mr. Lattin: We have certain projections, but we also would look at the priorities of where land is needed. It is not cast in stone at this particular time.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Community Assistance Program, \$4,250,000. Shall this item carry?

Mr. Penikett: I hope it would not be considered too picky, Mr. Chairman, if we could ask for just the broadest outline of this expenditure, a few little details.

Hon. Mr. Lattin: Some of the items that this \$4,250,000 encompasses are skating rinks, water supply, water supply designs, roads, replace sewer mains, and one of the big ones on this particular budget is repayment of a loan that Faro borrowed last year, for the amount of \$1,250,000. I would just like to draw it to the attention of the Member that a considerable portion of that particular amount is for that community.

Mr. Fleming: The Community Assistance Program has now been in effect for some years, and I am just wondering how much money there is left available in that fund.

Also, what is the possibility of the Teslin force main to the field and is it in 1981 or 1982? I have heard some rumours that it is going to be held until 1982 so I was just wondering.

Hon. Mr. Lattin: I cannot tell you how much is in the community assistance money, but I can say that this particular program was instigated in 1975 and, since 1975, we have spent \$35 million on this particular program.

Now about Teslin, I am sorry I cannot answer the Member's question. I do not think it is on this year. It seems to me, if my memory is correct, that we are considering it for next year, but I will check before I cast that in stone.

Mrs. McGuire: I am not quite sure I understand this. Are you saying that these funds here have already been designated, or is it in reserve? Could you explain that?

Hon. Mr. Lattin: The one that I do say that I definitely designated, is the \$1,250,000 in payment of a loan to Faro. The other ones are not particularly designated at this time. When these communities bring in their requests, or what they are considering, we consider the priorities. At this particular time we consider these requirements for different districts. I would say at this particular time that it is not hard and fast that they are going to any particular items. As these items are requested, as they are reviewed, as we consider the priorities, the money is dispensed.

Mr. Penikett: Mr. Chairman, I am concerned that an observation by my friend from Campbell should not pass without comment. As I understand the Community Assistance Program, it is not a fund. It is a program whereby the municipalities borrow from the Territory, the Territory borrows it from the Federal Government, and the Federal Government borrows it from us. Mr. Lang is shaking his head, poor man, I hope he does not have a headache. But as I understand it, we do not have a fund here; we have an allocation for it, but it is not a fund that is revolving in the sense that I think Mr. Fleming is referring to.

Hon. Mr. Pearson: Mr. Chairman, the Honourable Member for Whitehorse West is partially correct. We do not borrow this money from the Government of Canada; it is part of our capital allocation. I think what the Honourable Member for Campbell was getting at, was, is this an identifiable program with a life span with the federal government. No, Mr. Chairman, it is not. It was started that way, but we have chosen to carry it on as a Territorial program, mainly because we have the legislation in place and, without amendments to the current legislation, it would be very difficult to terminate the program. We feel it is a good one, it gives the municipalities a fair amount of latitude, and puts them into the decision-making process with respect to how that money should be spent in their community.

Hon. Mr. Lang: I just want to go further with what the former municipal politician, now Territorial politician, was referring to, with respect to the allocation of these dollars. It is generally a capital grant. It might be 90 per cent of a project, it might be 75 per cent of a project. For example, the municipality required at least ten per cent, because it was an arterial road as opposed to a collector. But it is all laid down in legislation, and it is a capital allocation of monies to the various communities, L.I.D.s and muni-

cipalities. In some cases, even for the unorganized communities, there are provisions for certain aspects, as my colleague, the Minister of Municipal and Community Affairs, referred to, for example, skating rinks, where monies could be allocated through that particular program.

I should further point out, and I do so just to clarify, for the Member for Faro's edification, and I hope that he takes this back to his constituents; you will recall last Session we made the announcement that we were allocating \$1,000,000 to City of Faro for the water and sewer project; that we would further lend to the Municipality of Faro \$1,250,000 over the course of this year, and that for the 1981-82 year, we would have \$1,250,000 to re-allocate to the Town of Faro since we were short on the capital side of our budget.

I think the Member for Riverdale South's opposition to this particular budget will change when he recognizes that we have increased the amount of money for this particular aspect of the Budget from \$3,000,000 to \$4,250,000, to take care of the commitment that we made earlier, and will still have roughly the same amount of money as we did the year previous for the particular program in question. I cannot see the Member not voting for it.

Mr. Chairman: How do you do it, Mr. Lang? You get him every time.

Mr. MacKay: I am beginning to suspect that when Mr. Lang wears a kilt, it is not because he is Scottish, but because he has a rather feminine kind of logic about him, which is based more on emotion than reason, if you will pardon me, Ladies.

However, having insulted everyone except the man I wanted to, Mr. Chairman, could I perhaps indicate a couple of points? Surely it is a fact that instead of spending more this year, we are spending \$1,250,000 less, because, in fact, the \$1,250,000 less has already been spent, and therefore we are budgeting only \$3,000,000 to spend next year, having spent \$4,250,000 this year. No sleight of hand or politician's slippery words can change that around. That is how the money is being spent.

Some Member: A point of Order, Mr. Chairman, a point of Order —

Mr. Chairman: It sounds like feminine logic to me.

Hon. Mr. Lang: A point of Order. You know, I will take the insult that the Member gave me earlier, but he definitely starts to sound like an accountant looking for perhaps a position within the Liberal party to justify what he is doing.

Mr. Chairman: We have no point of Order, Mr. Lang.

Mr. MacKay: I think it is true to say though — and "Miss Lang" will not disagree, that last year we budgeted \$3,000,000 and then, because of the imminent and urgent needs of Faro, the Government said we will advance our Capital Budget and spend another \$1,250,000 in the 1980-81 year, the year we are in. Which means that they have now had to budget, in addition to the normal \$3,000,000 for next year, that additional \$1,250,000.

But the money is not being spent next year, it is already spent. That is my point: we have decreased our expenditures for next year. We are talking about real things, how you spend the money, not how you budget your funny accounts here.

The point is that you have decreased the expenditures, and I think that the bigger point I wanted to get to, and this goes back to what Mr. Lattin was saying, is that, since 1975, \$35,000,000 has been expended in this program. I am assuming that that includes this current year's budget of \$4,000,000, which would leave \$31,000,000 having been spent in the past five years, which means an average of \$6,000,000 has been spent in this program over the past five years. If you stop and take inflation into account, that means an awful lot more was being spent four or five years ago than is being spent now, which bears out my exact contention that this Government is devoting less and less to the outlying communities as the years go by. The figures are all there, from what Mr. Lattin said, that we have spent \$31,000,000 over the past five years and now we are only budgeting \$3,000,000 for next year in true expenditures.

I think that this is a very serious trend, and it bears out my contention that you are doing less and less for the outlying communities.

Hon. Mr. Lang: Mr. Chairman, if the Honourable Member had been following through the last number of years in respect to expenditures of monies, there were a couple of special major projects that had to be done, with respect to the \$35,000,000 the Member refers to. If the Member takes a look at it straight from the layman's point of view, and takes apart his partisan politics and

his ability as an accountant to juggle figures around, he will see in last year and this coming year that we have spent over \$7,000,000 in the Capital Assistance Program, if he totals up the two years. Now how the money is allocated you can argue, but all I am saying is there has been a major increase in this area and I am sure that the Member recognizes it. I would like to have an extra million dollars in my bank account, whether it is this year or next year.

Mr. MacKay: Mr. Chairman, if the Member is implying that an extra million dollars is in addition to the million dollars he already has, I do not think he deserves anything.

Hon. Mr. Lang: Mr. Chairman, just as a point of order, I would like to point out that if the difference is between being able to wash the dishes and not being able to wash the dishes, there is a big difference, Mr. Chairman, as far as projects are concerned.

Mr. Chairman: What is your point of order, Mr. Lang?

Mr. MacKay: I think we will let the record speak for that one, Mr. Chairman. Let me reiterate, because it was refuted, it has been said that we are spending more now than we did in the past, and that is not true. Certainly there are larger projects in the past that needed to be done, but there are large projects in the future, there are larger needs today as well. If we prioritize them, we can say they are necessary.

Perhaps the Government Leader has something to say. Perhaps the money is not available from Ottawa anymore. If that is the reason, let us get it out and understand it, but if it is really a question of priorities changing within the Government, then I think the public should be well aware of that.

Hon. Mr. Pearson: Mr. Chairman, I just cannot let it go by that we are spending less money in the communities, because we are not. We have put this budget together on the basis that the communities come first. That is where the money is being spent. In this government, the money is not being spent on capital acquisitions. It simply is not. We have negotiated, to the best of our ability, for capital funds from the Government of Canada, and we have allocated those capital funds, again, to the best of our ability, with the priority that the communities were going to get the majority of the money. I think, Mr. Chairman, if you go through the budget, you will find that that is true.

Mr. Chairman, it does not matter how the Honourable Member does juggle the numbers, we are allocating more money every year to the communities.

Hon. Mr. Lang: Mr. Chairman, I just want to re-emphasize what the Government Leader has said. All the Member has to do is turn to the start of this particular part of the Vote, on page 17, and you will see the total authority is \$8,067,000 for Municipal Affairs. The previous year, a large block of money was for land development, which is recoverable. You take that away, in 1980-81, you roughly had \$4 million for various amenities in the communities. You take a look at 1981-82, you have \$8 million less \$500,000 for basic amenities in the communities, so you are up to \$7.5 million.

So, Mr. Chairman, I do not care how he cuts it, I recognize that inflation is here, but I think we are far exceeding that, if one takes a look at those numbers at the front of the Vote.

Mr. Penikett: When I was referring to the money chain in the Community Assistance Program, I apologize for suggesting that the relationship was borrowing. It is in fact grants, and I did understand that. It is a cyclical one though.

What I wanted to ask the Government Leader, and not to pick up on Mr. MacKay's point, but to pursue something that the Government Leader alluded to, and it is something we have talked about before, I think, in last year's Capital Budget; that is the difference between the amount of money we could get from Ottawa and the amount of money that, given the fiscally conservative traditions of this Government, we have actually asked for.

The Government Leader said that they negotiated as best they could, and we therefore have a Capital Budget of \$25.6 million. Could the Government Leader give us any idea what they asked for?

Hon. Mr. Pearson: Mr. Chairman, I have to be very, very careful that I do not get this year mixed up with next year, or mixed up with last year. I believe that it was \$37 million or \$38 million. I am not absolutely certain. It was in that neighbourhood.

Mr. Penikett: We only really got about two-thirds of what we were asking for. I would just then ask the next question because this is the important one. We heard some discussion, I think, going back to the Government Leader's first budget, about some changing of the process of the budgeting for the government and the

ordering of financial priorities.

I wonder if I could ask the Government Leader if, in lopping approximately \$10 million off of our request, this government's priority items remained, or if the federal government had a different set of priorities and removed some items from the budget, or did not approve some items which were priorities to this Government?

Hon. Mr. Pearson: Mr. Chairman, for the most part, what we do with the Government of Canada in negotiations is top/bottom line, a figure. Approval for projects happens afterwards. It was one of the problems that we had with voting the budget last year, and then having to go to Treasury Board to get approval for projects over \$1 million. These are part of the delays that we face this year and we are hoping to get over next year.

Mr. Chairman, I think I should point out to the House that the change in budgeting procedure that we are hoping will take effect fairly soon will not affect the Capital Budget, will not be nearly as telling to the Capital Budget as we hope it will be to the Operation and Maintenance Budget. Capital money is doled out — Mr. Chairman, I do not think there is any other word for it — by the federal government. They seem to have a pot of it, so much money to spend in the North. It is a case of who can put forward the best case to the federal government, primarily between the Northwest Territories and Yukon, and it is actually a competition between the two of us, who gets to them first, who has their Capital Estimates ready first, and how well we are able to negotiate in respect to what the Capital budget might be.

The criterion for the last couple of years has seemed to be a flat percentage increase, not what we want done or what our experience was, but a straight percentage increase, with them impressing upon us all of the time that funds are in short supply and that they simply do not want us embarking upon major capital programs at this point in time.

Mr. Penikett: I thank the Government Leader for that answer, that is very illuminating.

Can I just ask, then, having said that, presumably in the negotiations part of the plea made by the Northwest Territories and the Government of Yukon, as I understand it, we have certain items which are an urgent demand and a big requirement in the community, and some of these will be big ticket items and will show up very clearly in the budget. For example, if we were going to build the new Yukon College this year, that would obviously be a very large item.

Is it still the Government Leader's experience, though, notwithstanding some shift in the method or the means of approval, the lump sum thing, that the federal government does indicate some enthusiasm, or lack of it, for individual items in the budget?

Did they ever have occasion in recent years to say, "No, we do not want you doing that", or "We do not like that"? They still very much leave us to set our own priorities, is that the case?

Hon. Mr. Pearson: Yes, Mr. Chairman, the important thing for us, we have found, is to get our priorities into our program forecasts, so that we do not take them by surprise. If we have the items in the program forecast, they normally say, "Look, here is your program forecast; it comes to \$43,000,000 but we are prepared to give you \$35,000,000. Go and do your damnest." That is what it ends up being.

Mr. Fleming: I think I am getting a pretty clear picture of it now, because I was here when the Capital Assistance Program first came into effect. I heard many, many stories and had many, many questions. I have to agree with the Leader of the Opposition to a certain extent, that possibly this program has been cut down some. At that time there was the figure of \$30,000,000 bantered about. It was quite definite that that was what the federal government intended to let this Government have, over a period, I think it started at seven years, and then they turned around and limited it to five years. It was more or less, as far as we were all concerned, that we would be using each year, approximately \$6,000,000 allotted for this community, that community, some other one here or there. Since that time — I think that program has finished actually — whatever they had promised then was more or less over, that this was the last year it was supposed to go.

However, as the former Government Leader has said, we are over that \$30,000,000 anyway. We are up around the \$35,000,000 figure somewhere. I would say that at the present time the Government is more or less negotiating each year for the amount of money that they should get.

Hon. Mr. Pearson: I might say that one of our major criteria in

setting priorities has become the necessity to look at what the O&M cost is going to be five years down the line, as a result of our entering into a major capital expenditure today.

We, of course, Mr. Chairman, watch very closely what is happening in the Northwest Territories. We feel that they have managed to buy themselves some major problems in the next few years, just because they have had a couple of really good capital years, where they got an awful lot of capital money. But the chickens are bound to come home to roost when they have to start paying the heating bills for some of those facilities that they have. We are looking at it, Mr. Chairman, on the basis that maybe we are better off without the facility than to have to be faced with paying the O&M cost two or three years down the line as well. It has become a major criterion for us and probably this has tempered our capital requests in the last couple of years.

Mr. MacKay: I can see some logic in what the Government Leader is saying, however, I would like to suggest that there are some capital projects which not only do not cost more money in O&M, they actually save money in O&M, such as paving. I would suggest that he should not temper any of his enthusiasm for capital money of that nature at all.

I would also like to reiterate, just in case anybody got it wrong anywhere, that during the first five years of the Community Assistance Program, an average of \$6 million a year was spent, over the last two years the average has been \$3.7 million, so there has been a decrease.

Hon. Mr. Lang: Mr. Chairman, I just want to check this for the record, and we can get a full outline here within the next day or two, in respect to how the monies were allocated, but through the normal process of the Capital Assistance Program, it has been on the average of \$3 million a year. There have been programs outside the parameters of the Capital Assistance Program that have put that particular fund up in the area of between 30 and 35 million dollars a year, one being the Whitehorse sewage treatment plant, which was a special allocation of funds. I think the Dawson City water and sewer was the other aspect that dramatically increased this particular program. Otherwise, it was in the area of \$21 million.

In respect to the longevity of this program, really, it depends on whether or not the majority in this House want it to continue. I think, overall, it has been a good program, and I think the Member would agree that there has been a major increase in help to the communities. All one has to do is look at the projects.

Mr. Byblow: I do not think that anybody can dispute that this is certainly a good program and that it should continue. I have deliberately stayed out of this debate, but I want to have a couple of questions answered.

My understanding is that this original program, set up seven years ago, was to supply \$3 million for the purposes outlined in the original concept of the Community Assistance Program. I think it would be very revealing, very worthwhile to go through the exercise of finding out just where all the monies have been appropriated over the years, and where monies have come into this program on the side, over and above the \$3 million allocation, over and above what has comprised the \$35 million. Perhaps we could have this done for us in the next day or two or three.

Hon. Mr. Pearson: Mr. Chairman, I honestly do not think that the Honourable Member really realizes what he is asking the Administration of this government to do. Mr. Chairman, it would be a major accounting job just to break the whole thing down, community by community, over the past five years.

Mr. MacKay: It is not a major accounting job. I would be happy to volunteer.

Mr. Chairman: Community Assistance Program, shall this item carry?

Some Members: Agree.

Mr. MacKay: Disagree.

Hon. Mr. Lang: Mr. Chairman, I just want to point out that the Leader of the Official Opposition has gone against the Capital Assistance Program.

Mr. MacKay: No, no, it is not enough, not enough.

Hon. Mr. Lang: For the record.

Mr. Chairman: Garbage disposal facilities, \$50,000.

Hon. Mr. Lattin: Mr. Chairman, garbage disposal facilities are for the unincorporated and recreational subdivisions. In this particular instance, they are in two places this year, Upper Liard and Champagne.

Mr. Chairman: Shall this item carry?

Mr. MacKay: Upper Liard is a recreational area?

Hon. Mr. Lattin: Mr. Chairman, I did not specify which it was, I just said that these are the two particulars, the unorganized or the recreational area. I did not say in this case which either of them was.

Mr. Fleming: I would appreciate it if the Minister would say whether one of these was for the Upper Liard situation and I did not catch the other one.

Hon. Mr. Lattin: The other one, Mr. Chairman, was Champagne.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Public Works Compounds, \$50,000.

Mr. Fleming: I would like to commend the Government. We have an ambulance in Ross River, which of course is really needed there. However, the ambulance at the present time is being housed by the RCMP. I am just wondering if there is anything in the offing that is going to provide housing for the ambulance in Ross River this year.

Hon. Mr. Lattin: No, Mr. Chairman, not in this particular year. For this year, the priority is to complete the compound in Watson Lake and to start a compound in Mayo.

Mr. Fleming: Therefore, the ambulance in Ross River will be housed wherever it can be, for a year or so. Although it is not in this budget here, I would appreciate finding out if the Government intends to do anything about housing the ambulance in Ross River.

Hon. Mr. Pearson: Mr. Chairman, I would respectfully suggest to the Honourable Member for Campbell that, if the RCMP are housing the ambulance, then we are paying for it. I mean after all we do pay far more than 50 per cent of the cost of the RCMP in the Territory and I am very happy to hear that they are providing that service to us. I suggest it should be a good deal for us.

Mr. Fleming: Yes I realize it is a good deal for us, however, I think the RCMP realizes it is a deal for you too. They are doing this and they intend to do so for some time. However, they too are questioning when there may be housing for it, because, for whoever has it, does have a problem every once in awhile, with somebody calling in the middle of the night, or somebody having to unlock the door and get the things out, and so on and so forth. They were questioning and I am questioning too. I would hope that this is taken into consideration, and that you do find an area somewhere to house the ambulance in Ross River, perhaps after this winter.

Mr. Chairman: Public Works Compounds, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Porter Creek Alternate Access, \$500,000.

Hon. Mr. Lattin: Mr. Chairman, this is to provide an alternate route downtown, without going on the Alaska Highway. This should provide a smoother flow of people from Porter Creek. Also this particular project is a good opportunity to use our Vocational students and equipment to get some on-the-job training.

Mr. Penikett: I do not know if I am right or not, but the cost of this thing does seem to be creeping up a little bit. Mr. Lang shakes his head. It seems to me that when I was involved in some original discussions about the estimates, there was an incredible discrepancy between the low of \$1.3 million. I think was the first preliminary design figure, and then it went all the way up to something closer to \$4,000,000. Anyway, that is not my question.

I would like to now, if I can, give the Minister notice of Question, and perhaps I will pursue it in Question Period rather than asking him now, because it relates also to the next item. I notice that there is, in the Dieppe Drive area in Takhini, some serious erosion of the bank below the DPW houses. That road is now being constructed right at the bottom of the escarpment in that area, and I am concerned that the construction may not contribute, in any way, to that erosion problem which is already present. So, I would just like to mention that now, by way of giving the Minister notice of a question that I will pursue in Question Period, because it concerns both these budget items.

Hon. Mr. Lang: Mr. Chairman, I would just like to say that I think it is a great project.

Mr. Chairman: And on that note, we will vote for Danny Lang. Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Carried. Whitehorse Escarpment, \$100,000.

Hon. Mr. Lattin: Mr. Chairman, this is an ongoing program. It is to purchase property which is in the danger area on the Whitehorse Escarpment. I think that this amount will probably take care of all the property that we will be purchasing this year.

Mr. Penikett: Mr. Chairman, at one time there was talk of a tri-level committee, or at least a bi-level committee, to deal with the ongoing problem of escarpment stabilization, and not just simply the acquisition of properties. I know the City and the Territory have been working on the acquisition and that is near completion. I wonder if the Minister is party to, or has any budget plans or actual physical work by this department in stabilizing the escarpment?

Hon. Mr. Lattin: Mr. Chairman, I believe that the stabilization program is between the City and the federal government. I believe some money has been allotted. That is where the program will take off from here.

Mr. Chairman: Does that mean that this is a recoverable item, Mr. Lattin?

Hon. Mr. Lattin: No, I do not think so, Mr. Chairman.

Hon. Mr. Pearson: Mr. Chairman, once again, this is all federal money in any event, so it is not recoverable per se, as we hope our land development money is recoverable.

Mr. Penikett: I am aware of the discussions between the City and the Territory that have gone on in the past about escarpment stabilization, but what I was strictly interested in is, one, if the Minister is aware of any definite plans to do something about stabilizing it; and, two, — and the Minister may have asked this question — whether the Territory plans to commit any money to that work. I guess he has answered the question by saying "No, for the time being". Correct me if I am wrong there.

Hon. Mr. Lattin: That is correct, Mr. Chairman.

Mr. Chairman: Whitehorse Escarpment, shall this item carry?

Some Members: Agreed.

Mr. Chairman: Haines Junction sewage lagoon, \$1,000,000.

Hon. Mr. Lattin: Mr. Chairman, this is where the Territorial Water Board had to construct a new lagoon at Haines Junction.

This is \$1 million of a \$2 million project. Before somebody asks me where we are going to put it, we are considering two sites at this particular time. It has not been decided which of the two sites we will go ahead with.

Mrs. McGuire: It is news to me that they have not picked a site yet. I was sure that was settled.

I just want to say that I am more than happy to approve this amount for the Haines Junction sewage lagoon, with all the problems we have been having with it. In the past four years, you might say that our cup has been running over, a real health hazard.

Of course, we have had our on-going, continued hassle with Parks Canada, which has been overcome, and we have to give credit to Danny Lang for that. Also, there is the turnover of northern ministers contributing to the drawbacks on it. What we will be doing for a conversation piece in the future, I do not know, now that we will have our lagoon.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Mayo Administration Building, \$1,000,000.

Hon. Mr. Lattin: Mr. Chairman, this has been an item that has been postponed for several years. It is definitely overdue.

In this particular building we will be housing the Game Branch, liquor store, the L.I.D. office, the fire hall, Human Resources and probably the post office. I think it is about time. It was just long overdue and I am glad to see it in the budget.

Mr. Fleming: I just cannot help but stand up on this one, that this much is going to an administration building in Mayo and, of course, it is possible that it is needed there. However, in the little town of Teslin, we are also looking for an administration building.

I am just wondering if they had to have a liquor store in this one or not, to have this administration building. However, through the last two or three days here, the little plum has been going back and forth. Maybe there has been a little party politics going on. I must say the government over there is like a large family of kids and the Opposition here is like the kid next door. Of course, the large family has the cookie jar and the kid next door comes over once in awhile, but I would like to ask you who gets the cookies?

Mr. MacKay: I would like to indicate some cautious general

approval for this expenditure, I think because I have a lot of friends in Mayo and because I have been visiting there for many years, buying liquor at their terrible liquor store, trying to find the post office when it was open. I really think that the people in Mayo have suffered for a long time without this, so I am happy to see it, even though it may mean that Mr. Hanson is sitting with a smile on his face for the next two years. I will have to put up with that.

What I would like to pursue, though, and this is a serious question, is that several years ago a study was done where they indicated that Mayo was not in the best location, principally from the danger of flood and from the problems of sitting in lower, swampy areas, which it does, and the broken pipes and water mains and all that kind of stuff that went with the permafrost. So, I am not sure which of the ex-Mayo residents here is going to answer, but my question is simply this: in the location of this new administration building in Mayo, will consideration be given to the danger of flood, which still exists with that river there, because I do not think it is by any means immune to flood. In spending \$2 million there, are we not going to wind up with a Dawson City situation there, a couple of years down the road, where it is flooded out and wrecked?

Mr. Hanson: My friend, Mr. MacKay, no, the new administration building is not within the area that normally floods in Mayo. If you notice, if you look up the street when you are down by the Chateau, there is a little hill, and it is on the hill, so it is above the normal flood zone. As you mentioned, several years ago they talked about moving the town of Mayo up to Back (?) lakes, which is about half-way between Mayo and Elsa. However, it was rejected. They built all the new homes there, and the new school, so it is a little late now to start talking about moving the town. At the time they talked about moving it, the school and the hospital were outdated, but it is a little too late now after forty homes have been built there.

Mr. Penikett: Mr. Chairman, I would just like to ask, having heard the Minister of Community Affairs give the long list of Government officials and Government departments that are going to be housed in that building, I wonder if there is going to be enough room in it. In all seriousness, Game, Liquor, Human Resources, Post Office. Is there going to be room for all these people, and for the expansion that will inevitably occur in Mayo, in this building?

Hon. Mr. Lattin: Yes, Mr. Chairman, I do not think we would build a building, and say we were going to put these particular departments in it, if it could not hold them all. So, at this particular time, I am very confident to say that this building will be quite adequate for all these facilities.

Mr. Hanson: The Minister said they would be putting the Fire Department in there. They would not. They would be putting the Fire Department where the Liquor Store is now, so they can get the trucks in and out the door, with the lights on the roof.

Mr. Byblow: I think, for the benefit of the Honourable Member, I am going to support his facility in his metropolis. I think, for reasons more than that I may have friends there, I have a very healthy concern and respect for the Territory as a whole.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Whitehorse Swimming Pool, \$350,000.

Hon. Mr. Lattin: Mr. Chairman, we had allotted for this particular program this year, \$350,000. I realize that this is not going to build a swimming pool, but you will notice that next year we are considering another \$1,000,000. But, there are certain studies and plans, and we feel that this year that is as far as we will get on this project. I believe, in a letter to the City quite some time ago, we said we would cost-share it 75-25. We set a maximum at that time, Mr. Chairman of \$1¼ million.

Mr. Penikett: Obviously, I am very interested in the swimming pool. This does not seem to be very much money. I think that that has been observed by other people, and I do not know how much is going to get done with \$350,000. Once again, I just make this appeal. I do not know where you are going to put the pool, but I think while this Government is spending, I do not know how many million dollars it is, in cooperation with the federal energy saving projects, let me make this obvious point.

Right now, in this City, I think we have an incredibly wasteful situation, with few recreational facilities scattered all over town, each of them with huge operation and maintenance costs, each of them extremely energy-wasteful. Ultimately, it seems to me in the best interests of this community if we got to revise them. I would urge again, if this Territory has any say in this matter, I would

very much like to see this pool built into a new school, if that is possible, or certainly built into a place where that can be done.

Let me make this argument: I hope that it would only be the first of its kind. I think the people who should be using the pools in the winter months here, during the school months, are the students, because I think it is one of the best forms of recreation available to them, the best forms of exercise, and very healthy.

It is the kind of thing, if we can get one pool in one school somewhere in town, I think it is not going to be that much harder to persuade the public to put another pool in another major school in another part of the town somewhere down the road. I think that we need a pool, not as a separate individual building that is going to cost us a fortune to heat, maintain and operate. In this day and age, we have got to make efficient use of buildings and people and materials. I have said this before, but I hope it is a proposal that is not forgotten.

Hon. Mr. Lattin: Mr. Chairman, I am very interested to hear the Member's dissertation of where the pool should be in connection with the school. I would also suggest to the Member that the particular site now chosen, I believe, is up in Whitehorse West. I am certain that, in the future, I will take his advice and consideration with this problem.

I think, Mr. Chairman, that I do not quite agree with the Member that it should be in one great big all-encompassing facility. I think when you get that, Mr. Chairman, I would say that a lot of the smaller communities and the people in the smaller communities would have a transportation problem. Maybe it is more expensive, but I really think you will get a lot more use per population in having smaller establishments around the City than one big one.

Mr. Penikett: I am not sure if the Minister was agreeing with me or disagreeing with me. I do not mind the pool being in my riding at all. I am quite happy about that, but that is not the point. I am trying to argue something which is a sensible proposal, not a political one here.

I go back to it. If we do have a pool, I hope at least the City, or somebody, has the wisdom to put other facilities with it, because with energy costs the way they are now, it is just simply stupid to build individual facilities all over the place, and then have a separate heating plant, and a separate staff to operate each one. Sure, it provides lots of jobs, but I think it is not a particularly efficient or economic way to do it.

I think the Minister is quite right that you cannot have everything all in one centralized facility, nor would I dream of doing that, but my point is that you have got to start somewhere and it seems to me that there are economies to be achieved by integration of different kinds of facilities here, and we should be looking for them.

Mrs. McGuire: This is just a general question. I want to know if you can receive more than one capital grant on a single project but, say, going into two different years?

Hon. Mr. Lattin: Yes, you can.

Hon. Mr. Pearson: Mr. Chairman, in reference to what the Honourable Member for Whitehorse West had to say, I think I should, in fairness, advise the House that I have had a couple of discussions with the Mayor on an informal basis in respect to this swimming pool. I am quite confident, Mr. Chairman, that the Mayor is also very interested in acquiring any economies of scale that can be acquired in respect to the construction, which he views as a highly desirable thing for the City of Whitehorse.

In respect to location, Mr. Chairman, we have no say in the matter, whatever. The City of Whitehorse, we view as a responsible government. It is their prerogative to establish the site for this pool, and we intend to let them do that. But I am confident that this is the start of something bigger, somewhere down the line, when money is available, and the economies of scale will be recognized.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: I would refer Members to Capital Recoveries, page 21. Land Development \$500,000 recovered.

Mr. Penikett: I wonder if we could get some idea of what our accounts are like, in terms of our costs for developing land, and sale of land? Presumably, the asset we have is appreciating, but there is also a fairly large chunk of money that we have spent on land, already, that has not been sold. Can we have some idea of what order of magnitude those numbers are?

Hon. Mr. Pearson: Mr. Chairman, we have something in the neighbourhood of \$12,000,000 worth of developed land in our land

bank, at this point in time. I introduced a Bill, today, in respect of loans, the capability of this Government to borrow money. It is related directly to that land bank. We anticipate having, not a money problem in the near future, but a cash flow problem, because the Federal Government has indicated to us that they simply don't have the money that they had assured us for a long time they were going to lend us in loans. They would just as soon we borrow that money on the open market. It requires a change in our legislation. I introduced that Bill today.

I would suggest, respectfully, Mr. Chairman, it is a good investment. It is land in the Yukon Territory, which has to be a good investment. But, it is not turning over as fast as we had anticipated, when the Hillcrest Subdivision was started, in particular. However, there are indications now that it is starting to move again.

Mr. MacKay: I would like to ask one specific question, and I would like to make a general comment after that. The specific question I have is, on the carrying costs of this land that you hold, are you adding the cost of the interest, and any other charges that are accruing by holding the land? Are you adding that to the cost of the land, so that we will have a full recovery, if and when it is sold?

Hon. Mr. Pearson: Mr. Chairman, no. That has not been done in the past, but there is a conscious decision that has to be made by this Government as to whether or not it is going to be done in the future. The major problem is that, in the very first analysis, without any interest added, the cost of those lots, because they are sold at development cost, is quite expensive now. Frankly, I am loath to add any more to it. But, if we adopt the "user-pays" concept all the way down the line, Mr. Chairman, something that I believe in quite strongly, then I would suggest that at some point, yes, we are going to have to add that cost.

Mr. MacKay: Well let me emphatically state that I think that there should be no doubt that that interest cost should be added, because if the people who buy the lot are not going to pay for it, the rest of the taxpayers are. So, it seems to me quite unfair that people should get that kind of bargain purchase for land, when in fact it is being paid for by the rest of the community. I think, when you view of the costs of land in the Yukon for residential housing, you will have to admit that it is probably the lowest in the country.

While a lot may cost \$15,000 to \$18,000, it is a heck of a lot better than \$60,000 to \$80,000, like you may pay elsewhere. As a principle you should adopt that.

Another thing I wanted to say, Mr. Chairman, I think it is quite an historic thing that the Government Leader has announced that that bill which will permit the Yukon Government to go outside of the apron strings of Ottawa to borrow money on the open market, I think sets free this Government from a type of financial straight-jacket that exists. I do not want you to misinterpret this, but it seems to me that, if you amend your legislation to permit you to borrow on the open market, when you go to Ottawa and say that we want to have a grant of \$35,000,000 for capital and they come up with \$30,000,000, you then have that option to go out and borrow that other \$5,000,000, if you feel so strongly that you should have it. You can write off the interest and do your capital projects. Maybe I am incorrect but it seems to me that that is a fairly historic breakthrough.

Mr. Chairman: The Chair would like to discourage further debate on a bill that has just been introduced into the House and let us get back to the budget.

Hon. Mr. Pearson: I do not think it is fair to leave the discussion at that particular point, because the Honourable Member is wrong, and I think quite honestly wrong, in what he just said.

There are two words that have to be really dealt with. The bill will enable us to make loans. The Government of Canada still permits us to make the loans, and that is the key to the thing. That requirement to go to the Government of Canada to get final approval will not change. That is part of the *Yukon Act*.

Mr. Chairman: We will now go on to Tourism and Economic Development. We will have a brief recess first.

Recess

Mr. Chairman: I will call Committee of the Whole to order. We are at page 24, Tourism and Economic Development, \$3,444,000.

Some Members: Clear.

Mr. Chairman: Tourism Attraction Contributions, \$30,000.

Hon. Mr. Lang: Mr. Chairman, this is a fairly easy establishment to understand. These are basically grants that are provided to non-profit organizations, based on the recommendations of the

Tourism Advisory Board for construction of new tourism attractions, as well as extensions and renovations of existing attractions, including museums.

Mr. Chairman: Shall this item carry?

Some Members: Agreed.

Mr. Chairman: Carried.

Tourism Industry Development Subsidiary Agreement, \$2,494,000.

Hon. Mr. Lang: I think, probably, Mr. Chairman, this is pretty well self-explanatory.

This is the Tourism Subsidiary Agreement that was negotiated approximately just a little over a year ago now. It is an 85 per cent federal contribution, 15 per cent Territorial, which was largely negotiated through the former government and through a lot of discussions with the new or old government, depending on what you want to call it. They agreed to carry on with this agreement.

The total capital amount is \$6 million. It should be pointed out that the finances are basically just available for tourism-related projects of one-time capital assistance. A number of programs have been initiated. One is the ski chalet. Another was the Dawson downtown improvement area. Money has been set aside for the Yukon River Stabilization Program, Fort Selkirk and other areas along the river and the Dawson Accommodation Assistance Allocation, as well as the various other programs that I outlined while we were discussing the capital program at the outset of the sitting of the Legislature.

I think it is fair to say, Mr. Chairman, what we are attempting to do through this particular financial assistance, is not only to have it tourism-related, but, hopefully, to have most of these particular capital works utilized in such a manner that they are of value to our local residents as well. The ski chalet, for example, the Carnegie Library, the Old Log Church and Rectory, programs of this nature, so that we, locally, can benefit as well as tourism, and it is to everybody's benefit.

Mr. Fleming: It was interesting to listen to the Minister state that it was for non-profit organizations, and yet he came back and said it was for the ski chalet and the River Stabilization and so forth, and then the Dawson Accommodation. Now, is this area, where money is given for rooms in Dawson, is that a non-profit organization set-up, too?

Hon. Mr. Lang: Mr. Chairman, the Member is obviously confused. When I first stood up I was speaking to the establishment Tourist Attraction contributions. We are now on Tourism Industry Development Subsidiary Agreement, which are finances that are made available, either with the private sector, or to non-profit organizations, but it has to do with tourism-related capital expenditures.

Mr. Fleming: Would the Minister say that this is, more or less, for Dawson City, too, because it is tourist-related, or is it for all of Yukon?

Hon. Mr. Lang: Mr. Chairman, if the Member had been in town this summer he would have heard the initial announcement. It is strictly for Dawson City. In respect to the Dawson Accommodation Assistance, we have asked for proposals for people to build hotels in that particular area. We have had some very unfortunate situations arise over the course of the last year and a half, where tourists have gone to the Dawson City area, and accommodation has not been available for them, to the extent that they have been sleeping in buses. It has been a very difficult situation for the people locally, but it should also be noted that a number of major tourism wholesalers who organize the various trips to Yukon have cancelled out until we can get this area straightened out in the Dawson City area.

We do have a number of proposals under this particular aspect of the program that are presently being considered, to try to encourage people to build in Dawson City to provide accommodation. It is not our intention to get into the hotel business, but at the same time we recognize we have a responsibility, if we possibly can, to encourage people to construct further accommodations, so we can accommodate the influx of tourists who come to the Territory.

Mr. Fleming: I can disagree wholeheartedly with that concept, with all due respect to Dawson City and to the Member for Dawson City. However, if it is for private enterprise, it should be for all of the Yukon, not just part of the Yukon. Just because Dawson City is having a problem with private enterprise handling rooms up there is not, to me, a situation where, because you as private enterprise cannot do it, we are going to assist you in that one area of the

Yukon. Tourism is all over the Yukon.

I would suggest to the Government, if they wish to help somebody out like that in just one area, maybe they should go there and build it themselves, for themselves, rather than helping out private enterprise. In the long run it does not really fit to help out one area and not another area in the Yukon Territory. As far as I am concerned, I think this same grant that is made available to them should be made available to the rest of the Territory.

Hon. Mr. Lang: There is only so much financial assistance through this program, it has to be clearly understood. It was felt that the major emphasis, for at least this two year agreement, would be in the Dawson City area. I recognize the Member does not get to go up there very often, but I had an opportunity a number of times to visit Dawson after the flood, for various reasons which I think all Members are aware of, and there were serious problems in the Dawson City area. Since that time, one of the hotels has burned down.

We have had a look at it, in discussions with people in the building trades, and this type of thing; the cost of building, and everything else; the cost estimates were in the area of \$20,000 to \$25,000 per room as opposed to \$12,000 to \$14,000 per room in the Whitehorse area. It was our analysis that it is going to be very difficult for anybody to invest money in the area of hotel accommodation and expect fair return on the dollars that they are investing.

That is the basic principle that we went on; we felt that we could make some assistance available. We have not made any available yet. We are looking at proposals at the present time; the Territorial/Federal Management team that has been set up under the agreement is presently considering a number of them. It will be a question of how valid the submissions are, whether or not money will be allocated.

Hon. Mrs. McCall: Mr. Chairman, perhaps I can help the Minister of Tourism out a little. I do understand the feelings of the other communities, when Dawson appears to be getting more than its share. But, if I may try to explain their point of view, the flood certainly had a large effect, but aside from that, there are 50 or 60 thousand tourists going through each summer, with the population of 850 trying to handle that number of people. Now other communities may have that number of people come through, but Dawson is a destination point. The tourists expect that when they get to Dawson, they are going to be entertained, and the kind of travellers we have are older tourists who expect to be as comfortable as they would be down in Florida or somewhere like that.

And, really, what Dawson has to offer does not come up to the expectations of the tourists, especially in the way of accommodation. Now there are many reasons for that. It is justified, if you live there and see that people come in and look forward to coming to Dawson City — everywhere in the world they know the word "Klondike" — and when they express disappointment in this destination point, when they have come from Europe or anywhere to see it, it is a difficult situation.

Tourism all over the north bears on how well Dawson does, just because it is a destination point. All communities in the Yukon ought to benefit as a spin-off. I do not know whether that helps or not, but if you try to look at it from Dawson's point of view, there is justification.

Mr. Fleming: I appreciate the Member's remarks. However, I would ask the Minister, since this has not come about yet and it may be forthcoming, would this be an outright grant, or would this be an interest-free loan or that type of thing in this situation?

Hon. Mr. Lang: Mr. Chairman, it would be straight-out financial assistance, under certain terms and conditions in respect to the proposal put forward. For example, they have to be owned and operated by them for a minimum of three years. There are a number of stipulations that have been outlined, that have to take place.

Mr. MacKay: I would like to spend a little time on the Dawson Accommodation, but before that, Mr. Chairman, I would like to get a breakdown in detail of the \$2,494,000 million from the Minister, how much for the chalet, how much for the Carnegie Library, Yukon River Stabilization and Dawson Accommodation. Could you give me a breakdown, please?

Hon. Mr. Lang: Yes, Mr. Chairman, the ski chalet is \$1 million; the Dawson Downtown Improvements is \$530,000; Yukon River Stabilization is \$420,000; Dawson Accommodation Assistance could be up to as much as \$600,000, depending on the proposals; Opportunity Identification is \$150,000; Tourist Attraction Development is \$250,000; Dawson Historic Facades is \$50,000, for a grand

total of \$1,050,000.

The Dawson City Visitors' Reception Centre is \$700,00; Wilderness Guide Training is \$115,000; Carnegie Library is \$230,000; the Old Log Church and Rectory is \$75,000; the implementation costs for the total program look to be in the area of approximately \$400,000; the Steam Train Study that was just completed not too long ago was an estimated \$50,000; Research and Planning programs is \$370,000, for a grand total of \$4,990,000.

We are looking at various other proposals in Watson Lake, Carcross, and perhaps even in the Whitehorse area.

Mr. MacKay: I am sure I will be interested to read Hansard tomorrow, to see if they got half of what I got, and I am sure this debate will be continuing tomorrow, so that I will have that opportunity on this particular vote.

The figure of \$4 million was mentioned towards the end there. I presume that this is the total program, to be spent over the two years that we are looking at, the \$2 million last year, plus \$2.94 this year. Is that where the Minister is getting his \$4 million from?

Hon. Mr. Lang: No, Mr. Chairman, the total amount is estimated to be in the area of \$6 million.

Mr. MacKay: So the \$4 million, then, Mr. Chairman, is for the future expenditures.

Good.

Hon. Mr. Lang: Mr. Chairman, just for one clarification, the total amount of money available through this particular program, on an 85-15 cost-share, is a two year program, totalling a maximum of \$6 million. Almost \$5 million that I outlined there, the \$4,990,000, is monies that have already been committed to various programs. There is approximately \$1 million that could be committed elsewhere. For example, in the Watson Lake area we are looking at a couple of programs. One, that I would like to see go ahead, depending on how things go, is the combination of a tourist information centre and museum, and that museum would primarily consist of the history of the Alaska Highway.

Mr. MacKay: That is an interesting sideshow, but the points I wanted to get at, Mr. Chairman, were, \$1 million to build a ski chalet seems like a lot of money for a ski chalet. With reference to the Government Leader's remarks about not getting committed to large capital programs for which the O and M is going to slaughter us later, can the government Minister tell the House what studies his department has done, and what assurances his department has received, that having built this million dollar ski chalet, the ski club, or whoever is going to run it, has the financial integrity and the financial wherewithal to make a go of it?

Hon. Mr. Lang: Mr. Chairman, there was a great deal of discussion on this matter with the Whitehorse Ski Association. I think the Member would agree, in the past they have raised a great deal of money and are financially capable as an organization. We feel that if it is run properly, which I think it will be, they can more than break even. They will probably make money with respect to their operation at that particular facility.

It also has to be understood, Mr. Chairman, the idea was to promote tourism into the Territory in the late fall and early spring through the vehicle of cross-country skiing.

This coming spring we will be hosting the World Cup which is going to bring a great deal of people to the Territory, along with the British North American Competition. My understanding is, once you have the accommodation facilities, as well as the proper track which nobody will argue we do have now, a World T.E.S.T. track, that we can be on a continuing rotating basis with these various championships which take place on a world-wide basis. So from that respect, monies can be raised. Also, locally, they are expecting a fair amount of people utilizing those particular facilities as well. Only time will tell just how well they will do. I think the people I know who are involved in that particular organization are financially capable. I feel that they will be more than able to break even and provide extra monies for their particular endeavours which is cross-country skiing.

Mr. MacKay: That is all very nice and apple pie, Mr. Chairman. I agree with the comments about the characters involved and about the class of the facilities and about all these things. But what studies has the Government done to determine what it is going to cost to run this thing. I mean is it going to cost \$100,000 a year, \$150,000 a year? Are they satisfied, for example, that the shortness of the ski season, which is probably really in terms of useable time less than three months, that there is time in the ski season to generate enough revenue to maintain that kind of building year

round.

These are all very difficult questions and I appreciate no one can say for sure what the numbers will be but it would be most unfair of this Government to build a facility which will bankrupt the ski club two years from now. That is what I am concerned about. I think it is a great project, selfishly as well as politically. I am just concerned. Is this Government going to stand behind this chalet if it gets into financial trouble?

Hon. Mr. Lang: Mr. Chairman, my understanding is two-fold. There has been a preliminary look at what the operation and maintenance would be. I do not have those figures. I should get those figures and provide them to the Member, which I will do at a later date. But, also, it is being built in such a manner that certain areas of that particular facility do not necessarily have to be heated. In other words they can cut off the mechanical and the electrical facilities. If there is a time in a season that a whole facility is not needed, then obviously one area can be shut off and the operation and maintenance costs for it are subsequently decreased dramatically.

Only time will tell, Mr. Chairman. I think that in respect to the interest in the area of cross-country skiing locally has been a great boost. Also, only time will tell what kind of influx of people we can get into the Territory in respect to that particular facility. But I feel it is a worthwhile project and only time will tell.

In respect to the Government standing behind it, we obviously have an interest in it, but it is not our intention for Government, per se, to take over and run it. That is not the intention of the agreement and it is not the intention of this Government. It is to assist various organizations as well as worthwhile projects through this program on a one-time capital assistance aid to get things under way so we can provide more facilities locally as well as for the tourists.

Mr. MacKay: Just to nail this down then, the Government is absolutely confident that this facility, once built, will manage to look after itself, and sees no necessity to get any guarantees, at this point, to sustain it financially once it is operating?

Hon. Mr. Lang: Mr. Chairman, all things point to it being self-sufficient, per se, and only time will tell. I recognize that it is very easy to be pessimistic and to criticize, but at the same time I feel we have a responsibility to go into areas that we feel are assets locally, as well as for our visitors, and this an area that I think will be very good for Whitehorse and the Territory.

Mr. MacKay: I hope, Mr. Chairman, that the Minister will not mind my probing deeply into these things, because I appreciate that it is like a big jar of candies that we have got, this Tourism Agreement, and I want to make sure the taste is still sweet after we have swallowed them all.

The next thing I had in mind was getting into this Dawson Tourism Accommodation Assistance. I must say I find the explanations thus far to be extremely weak. There seems to be no logical basis for doing what the Government is doing. I think, in retrospect, it was a response to a difficult situation that perhaps this Government is a little guilty of sometimes, in saying, look, we have to find a solution to a problem that has been given to us by Dawson City, it's our problem. You take this responsibility on, and you set about trying to find a solution, whereas I think that Government has to sometimes stand back and say, well, sure it's a difficult problem, but I think that it's up to the individuals who are responsible and involved in that situation to solve their own problems. This would have been one case where I would think that would have been a better attitude to take.

Let me refute some of the things that have been said. The cost of construction in Dawson City may well be as high as \$20,000 a room, if you proceed in a certain way to build things. But I would indicate to the Minister that there were perfectly adequate hotel rooms put into Dawson City this year at a cost of considerably less than that. So, you know, you can talk about buying pre-fabricated stuff and shipping it in, and getting it done quite a lot cheaper than building it stick by stick on site. So it is not necessary for businessmen to be supporting the local hand-cut logs up the hill. Fortunately, in this society, we still have these choices of where we can buy our supplies. So I don't think it was necessary to say it was a cost factor.

The next point that was made was that there were actually tourists sleeping in buses, and this is a bad situation. It is a bad situation, Mr. Chairman, but we should examine the reason for the bad situation. It is not necessarily because of a shortage of hotel rooms, in the sense that there were fewer there than were anticipated a year before the bookings were made. The point is that they were overbooked. The hoteliers in that area, and one particular

hotel owner in that area, seemed to think that they could pretty well accept any tour, and somehow or other they would find the solution to the accommodation for these tourists when they arrived. Well, that just did not pan out, and we had a dreadful situation, for sure, of tourists who fully anticipated having accommodation, arriving in town and finding there was none left. Again, I question though, is that a Government responsibility to straighten that out?

I think what happens is the tourists do not come back to that particular hotel. They make other arrangements and they do not come back to the Yukon. I mean if you do not appreciate the way the hoteliers run the hotels in the Yukon, is the Government going to take them all over and make them all work right? Is it going to be subsidized every time there is a bit of bad management around? That is a terrible box to get yourself into. I think, Mr. Chairman, that the Government responded to a problem that was a management problem by saying we are going to give out some of these goodies in order to try to solve it.

The next point, the Minister said a hotel had burned down and therefore there was less accommodation than there was before. Well, naturally, there was, but as it so happens, one entrepreneur had, in fact, planned to have built hotel rooms anyway, and he would have done it without any Government assistance, whatsoever. I can only imagine the feelings of that particular hotelier today to realize that if he had been rather slow in making his plans, that he would have been eligible for a subsidy for these rooms, which he has paid for entirely himself.

I can also imagine the feelings of the existing hoteliers. As I mentioned before, one of these hotels is in some financial difficulty. Now, they realize that competition is coming on stream in the future, probably with nicer rooms, because they will be more modern, and rooms do wear after a few years, but subsidized by the Government with their tax dollars.

I find the whole situation very incongruous, up to the point of making that decision. Now, I look at how this decision is going to be implemented. I disagree with the decision in the first place, but if you are going to implement it, then let us be smart about it. Let us recognize that any entrepreneur in the hotel business who sees a great opportunity in Dawson, now, to build hotel rooms, has a first impression that, okay, I will build these hotel rooms, and a couple of years down the road, I will sell the place. Essentially, I will get back all of that Government grant right in my pocket, because it is pure profit. You cannot tell a guy never to sell his hotel. He is going to sell it sooner or later, and he is going to pocket that money.

In the real world of economics, if it is not economical to build hotel rooms, then they should not be built. The market says if you cannot make a buck running your hotel rooms, then you should raise the price, and I think that that point is being overlooked. People are paying \$100 per room, \$200 per room, in Europe right now. In Dawson City you are asking maybe \$50 or \$60. The answer to the hotel shortage is to put the price up to what the people are prepared to pay for good accommodation, and you will find that this problem will solve itself. I can see that everybody is staring at me rather heavily because time is marching on, Mr. Chairman, so I will leave these points on the record. I am sure we are not going to pass this vote tonight anyway.

Hon. Mr. Lang: I just have a couple of points to make to the Honourable Member. I think he is speaking to a subject that perhaps he should have spoken to approximately a year and a half ago, and that was whether or not we should continue with Dawson City as a historic centre, and that had to do with the water and sewer program that was put in place in the Dawson City area because of the historic significance of that community and the fact that they needed certain things done in order to justify the prospects of a National Historic Site for the Dawson City area.

Following that through, Mr. Chairman, what the Member opposite is saying is that we had a 50 per cent increase in tourists. Okay 50 per cent had to sleep outside, so let us just have fewer tourists in the Yukon. I do not agree with that.

I also say, Mr. Chairman, that the idea of the program is to encourage major capital investment. You are talking a couple of million dollars for these various rooms. We are looking at approximately 100 more rooms for the Dawson City area. We have no indication that there was going to be a major capital investment in the Dawson City area since the flood, except for the one operator who came and brought in about 20 rooms.

It should be pointed out further to that, Mr. Chairman, that the priority for the proposals do go for local people who apply. A

number of local people have applied, so there will be people who are Yukoners, that hopefully who will continue to live in the Yukon for many years to come.

I am sure that the Member opposite would be more than prepared to encourage it.

I would also say, Mr. Chairman, that I feel that the investment time that one has, in the Dawson City area, as far as the tourist season is concerned, is a very short period of time, and the capital investment that one has, one may well take to Vancouver as opposed to Dawson City in this particular case, that he can get a better return on his dollar. With this assistance that we have got, I think you can still make it competitive as far as the tourism industry is concerned and, at the same time, do what we want, and that is to encourage more tourists to use Dawson City as a destination point, which is good for all of the Yukon Territory.

Hon. Mr. Pearson: Mr. Chairman, might I suggest that you report progress on Bill Number 38 and beg leave to sit again?

Mr. Chairman: It has been moved by Mr. Pearson that Mr. Chairman do now report progress on Bill Number 38 and beg leave to sit again.

Motion agreed to

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

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

Motion agreed to

Mr. Speaker resumes the Chair

Mr. Speaker: I call the House to order.

May we have a report from the Chairman of Committees?

Mr. Hibberd: Mr. Speaker, the Committee of the Whole has considered Bill Number 38, *First Appropriation Ordinance, 1981-82*, 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: May I have your further pleasure?

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member for Campbell that we adjourn.

Mr. Speaker: It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Campbell, that we do now adjourn.

Motion agreed to

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

The House adjourned at 9:33 o'clock p.m.

The following Sessional Papers were tabled Monday, October 20, 1980:

80-3-27

Green Paper on *Municipal Aid Ordinance*

80-3-28

Report of the Standing Committee on Alcohol and Drug Related Problems in Yukon - June, 1980 (Brass Report)