



The Yukon Legislative Assembly

Number 21

2nd Session

25th Legislature

HANSARD

Tuesday, December 7, 1982 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Andy Philipsen, MLA, Whitehorse Porter Creek West

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government Leader — responsible for Executive Council Office, Finance, Public Service Commission, and Economic Development and Intergovernmental Relations.
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Municipal and Community Affairs, Highways, Yukon Housing Corporation, and Yukon Liquor Corporation.
Hon. Howard Tracey	Tatchun	Minister responsible for Health and Human Resources, Renewable Resources, Government Services.
Hon. Clarke Ashley	Klondike	Minister responsible for Justice, Consumer and Corporate Affairs, and Workers' Compensation.
Hon. Bea Firth	Whitehorse Riverdale South	Minister responsible for Education, Tourism, and Heritage and Cultural Resources.

GOVERNMENT MEMBERS

(Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
Kathie Nukon	Old Crow
Andy Philipsen	Whitehorse Porter Creek West

OPPOSITION MEMBERS

(New Democratic Party)

Tony Penikett	Whitehorse West Leader of the Official Opposition
Maurice Byblow	Faro
Margaret Joe	Whitehorse North Centre
Roger Kimmerly	Whitehorse South Centre
Piers McDonald	Mayo
Dave Porter	Campbell

(Independent)

Don Taylor	Watson Lake
------------	-------------

Clerk of the Assembly
Clerk Assistant (Legislative)
Clerk Assistant (Administrative)
Sergeant-at-Arms
Deputy Sergeant-at-Arms
Hansard Administrator

Patrick L. Michael
Missy Follwell
Jane Steele
G.I. Cameron
Frank Ursich
Dave Robertson

Whitehorse, Yukon
Tuesday, December 7, 1982

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

Prayers

Mr. Speaker: We will proceed at this time to the order paper. Are there any returns or documents for tabling?

DAILY ROUTINE

TABLING OF RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have for tabling the Yukon Liquor Corporation, 1981-82 Annual Report.

While I am on my feet, I also have for tabling the Protective Services 1981 Annual Report.

I have also for tabling a legislative return pertaining to two questions that were asked; one in question period and one in Committee of the Whole, dealing with Highways and Transportation.

Hon. Mr. Tracey: I have for tabling the answer to three written questions from November 17th.

Mr. Speaker: Are there any reports of committees?
 Petitions?

Reading or receiving of petitions?

Are there any introduction of bills?

INTRODUCTION OF BILLS

Hon. Mr. Pearson: I move, seconded by the Minister of Municipal and Community Affairs, that Bill Number 19, *First Appropriation Act, 1983-84*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the hon. government leader, seconded by the hon. Minister of Municipal and Community Affairs, that a bill, entitled *First Appropriation Act, 1983-84*, 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?

⁰² Are there any statements by ministers?

This then brings us to the question period.

QUESTION PERIOD

Question re: Liquor Corporation

Mr. Kimmerly: A question to the minister responsible for the liquor corporation. Yesterday, I asked a question about a list of sale prices circulated to deputy ministers. The minister responded but did not answer the question. I specifically ask: was the list circulated to members of the Cabinet?

Hon. Mr. Lang: To my knowledge, I did get a copy of it. I do not know whether or not my colleagues did. I never took that much notice of it, to be quite frank.

Mr. Kimmerly: To the minister's knowledge, was the list circulated to government back-benchers?

Hon. Mr. Lang: I never made any major issue of the notice that there was going to be a sale coming up on December 9th and I have not asked any of the deputy ministers, back-benchers or members opposite whether they got a copy of it. I assumed it would be made public well in advance so that the public had full opportunity to avail themselves of the proposed sale that was due to come forward.

⁰³ **Mr. Kimmerly:** Will the minister make a commitment to check into the situation and answer if the list was circulated to political aides in the Cabinet office?

Hon. Mr. Lang: I will not make that commitment. I believe

that the question is not of substantive nature because the member is intimating that information is not going to be made public in respect to a general sale being made available. The policy is that the public will be made well aware of it, and I am not going on a paper chase just because the member does not feel that I am busy enough.

Question re: Property taxation

Mr. Porter: My question is to the same, the minister responsible for Municipal Affairs. The minister has stated that his intention is to make property taxes fair. Can the minister then explain why the tax rate for the rural areas under the category "all other districts" is actually higher than the taxes in Haines Junction, Watson Lake and Carcross?

Hon. Mr. Lang: I am going from memory, but I am sure that it has something to do with the assessed values in certain areas; that is why the areas broken down in regions to be sure that the assessment has been evenly done. If it is not, then a different percentage rate would have to be levied.

We have done everything we possibly can to ensure equity throughout the territory, and I know that the assessment branch is working as diligently as it possibly can in respect to ensuring that all assessments are up to date and subsequently, then, I would assume, depending on other information coming forward, that the percentage levy would be pretty much the same throughout the territory.

⁰⁴ **Mr. Porter:** Since the rural property owners in the category "all other districts" receive very limited services, can the minister explain why they should suffer as high a tax as those receiving full municipal services?

Hon. Mr. Lang: I would be more than prepared to exchange my taxation bill for his if he had a home in Campbell. I know what I pay as opposed to the same house that is located in one of the smaller communities. I think it is recognized that in some cases services are not provided to the extent that they are perhaps in the municipality of Whitehorse and it is reflected in June when one has to pay their taxes.

Mr. Porter: When all the new property assessments in the territory have been completed, will the minister assure this House that the properties outside municipalities will be taxed at a rate lower than comparable properties inside municipalities?

Hon. Mr. Lang: I think it is fairly evident that there are various categories of land and dwellings, and how their percentage levy is rated. For example, in recreational land there is a different percentage because it is understood that in most cases those particular dwellings are utilized on a part-time basis, primarily in the summer months. I think it is safe to say that we are trying to be as equitable as we possibly can in respect to the levy of property tax across the territory.

Question re: Shipyard area road-block

Mrs. Joe: I have a question for the Minister of Municipal and Community Affairs. The minister stated yesterday that he is always prepared to look at various options to see whether or not a problem can be solved. In regard to the shipyard area road-block, will the minister assure us that he will closely examine the definition of "highway" under the *Highways Act* and section 85 of the *Municipal Act* for possible violations?

⁰⁵ **Hon. Mr. Lang:** As I can see, it is my day, and I am glad I went to bed early last night. As far as I am concerned, the commitment was made yesterday; I am more than prepared to look at any option.

Mrs. Joe: If the minister's department finds that the road-block is in violation of any Yukon act, can he assure this House that he will then take the necessary actions to see that those acts are enforced?

Mr. Speaker: The question would be very hypothetical. I am not too sure that it would be in order, but I will allow the minister to answer if he so wishes.

Hon. Mr. Lang: Once again, it is a question of what war you have gone to see, in respect to the administration of the act. I know that the legal opinion that I was given by the Department of Justice indicated to me that there was not any intervention that the

government could partake of in respect to the way the situation existed then. I will double check, but I assume the same situation applies.

Mrs. Joe: I passed along, across the House, some copies for the minister to read. If the minister's department refuses to take any action on any alleged violation, can he tell us if he will accept responsibility for any injury or death that may occur as a result of the road-block?

Hon. Mr. Lang: I think that that question is totally and absolutely inappropriate. I think it is safe to say that we are very concerned about any issue that comes up to the House, and to infer that any member of this House — and I would not infer it on that member — that the actions of the member opposite was going to cause someone an injury, I would say, for the record. I do not accept that inference and I would not do it to the member opposite, and I would expect her to give me the same common courtesy.

Question re: Property assessments

Mr. McDonald: I have a question for the Minister of Municipal and Community Affairs. It does seem to be his day for questions but not our day for answers.

I gave notice to the minister for this question and I would be interested in knowing whether or not the minister is aware that real property assessments for government buildings in Mayo have fallen approximately \$600,000 from the year 1981-82 and, if so, could he explain why?

Hon. Mr. Lang: I refer the member back to *Hansard*. I did not bring the specific technical details with me today in the House but the change from the federal assessment was for particular units that were then changed to the YTG general assessment, the way I understand it. I think, if he takes a look at the assessed values of the properties in Mayo, there was an increase from the previous year of approximately \$200,000 to \$300,000 — I am strictly going on memory on this.

Mr. McDonald: To the same minister: can the minister explain why this increase of \$213,000, of which I believe he is speaking, in property assessments for YTG properties, actually reflects a real decrease of \$587,000, in that the YTG administration building should be included in the year 1981-82?

Hon. Mr. Lang: Perhaps the member for Mayo has not been to Mayo recently. It is my understanding that the administration building is not complete and, subsequently, it was strictly a portion of that particular dwelling that was assessed. I am sure the member opposite is not inferring to me that we should be assessing any building at any given time, prior to its completion.

Mr. McDonald: Is the minister aware that his own department has assessed the Mayo administration building, at 40 percent of completion value, at \$800,000, and, if so, could the minister explain why other private property in the town has not depreciated similarly in value and face a corresponding decline in property assessments?

Hon. Mr. Lang: Once again, the member is asking a technical question on assessment. If the member owns a house in Mayo, I will make sure — and I make this commitment now — that the assessment branch will be out in the very near future to do the necessary assessment so that we can get the assessment base up to the appropriate level of which the member speaks.

Question re: Land claims

Mr. Penikett: I am sorry to disappoint the Minister of Municipal Affairs, but this is not his day.

I have a question for the government leader. The Yukon Government's negotiator has indicated publicly that it makes no difference whether the territory signs the land claims agreement or not, which, I might say, is a bit like a pregnant bride failing to show up for a wedding. I would like to ask the government leader: after claiming credit for all of the agreements to date, is the government leader now saying that the Government of Yukon's presence is not necessary for a successful conclusion of the land claims negotiations?

Hon. Mr. Pearson: No, that has never been implied. I honestly believe that the leader of the opposition has taken, out of context —

and has probably only partially said — what our negotiator said.

I heard the Chairman of the Council for Yukon Indians say, yesterday, that it was not necessary for the Government of Yukon to be a signatory of a land claims settlement. He recognizes that fact, we recognize that fact; surely, the leader of the opposition can recognize that as a fact. It is not necessary; the negotiations are between the Government of Canada and the Council for Yukon Indians. However, it has been our contention for a long time, ever since we were elected, that, unless this government is a signatory of a land claims settlement, it does not have very much of a chance to be successful.

Mr. Penikett: My supplementary is on that point, because I agree with the government leader's last point. I must apologize for my sources of information but, on this subject, we have to get it wherever we can.

Members opposite have stated, on a number of occasions, that John Munro had reversed a position of his predecessors on the issue of post-settlement land. I would like to ask the government leader if he can now document for the House this change in position?

Hon. Mr. Pearson: I will be most anxious to do that, and I will be doing it at the earliest possible opportunity, but I am more anxious to document the reversal with the minister rather than with the House because I think this is a critical point at this juncture.

Mr. Penikett: Some public statements on the recent conflict, and including statements from the members opposite, on the non-native Yukoners' claim to land may have confused the issue a little bit. So I would like to ask: is it the government's view that, following an Indian land claims settlement, all non-Indian Yukoners shall be entitled to a land grant from Ottawa, or is it the government leader's position simply that Yukon land should be available for purpose from the federal or territorial Crown?

Hon. Mr. Pearson: It is our contention that Yukon land should be available to all Yukoners, both Indian and non-Indian, and that land should be available to Yukoners through this government as it is the Government of Yukon; not the federal government.

Question re: Lottery Commission money

Mr. Byblow: I have a question for the Minister of Education. It is my understanding that, due to program cuts in education, some schools have applied for and received, lottery commission money to maintain school programs. Did these schools apply for lottery recreation money for school programs with the minister's encouragement and approval?

Hon. Mrs. Firth: No, they applied without the minister's knowledge.

Mr. Byblow: Is it then the policy of this government to permit the occurrence of substituting budget cuts in education with money appropriated from lottery commission funding as an ongoing practice?

Hon. Mrs. Firth: It is not the policy of this government to substitute budget cuts with lotteries money. These schools applied to the Yukon Lottery Commission, as they are able to; there is no policy that says that they are not able to. And the Yukon Lottery Commission, made up of people from all of the constituencies, made a decision and decided that these schools would be funded.

Mr. Byblow: In that three schools have received lottery commission money to make up the education department's deficit, and this is at a time when ministers drive cars and other things happen, is it the intention of the minister to advise all schools to go after lottery money to maintain their programming?

Hon. Mrs. Firth: That really is a ridiculous question. The minister is not advising to go for lottery funding, no.

Question re: Liquor sale

Mr. Kimmerly: I have a question for the minister responsible for the Liquor Board about the sale announced a few minutes on December 9th. On this sale, will the quantities be limited in any way?

Hon. Mr. Lang: I was going to rise, because I was just given some information that I was not aware of for the member opposite. To date, it has not been the policy to advertise these sales, and I apologize to the member if I gave him incorrect information. In

view of the questions that have been raised, I think it is safe to say that the sale will be advertised and it will depend on the stock that is there.

Mr. Kimmerly: As the minister announced yesterday there would be advertising, will the minister now say if the contents of the list circulated to deputy ministers will, in fact, be made public now?

Hon. Mr. Lang: I am sure that would be part of the advertising; so many boxes or bottles of whatever the merchandise is that is available.

Mr. Kimmerly: I asked yesterday about a policy in the area. What rationale is there to give deputy ministers — and the minister refused to deny the statement about Cabinet ministers and back-benchers — advance notice of a liquor sale?

Hon. Mr. Lang: I want to correct the member opposite and perhaps refer you back to *Hansard*. I did not deny; I said that I did not know. Subsequently, there is a difference. I am sure the member being a lawyer would realize that. Secondly, in respect to the liquor sale and the question that you have raised I am prepared to follow it up in view of the information I have received.

Question re: Tax rates

Mr. Porter: This is to the same minister. During the last election the tax rates for the communities of Teslin, Mayo and Carmacks were arbitrarily lowered. Under previous questioning, the minister undertook to meet with the community of Teslin to look at the situation. Has that meeting been held and if so, what were the results of that meeting?

Hon. Mr. Lang: Yes, it was very positive.

Mr. Porter: Will the minister undertake to have more positive meetings with the communities of Mayo and Carmacks to discuss the situation?

Hon. Mr. Lang: I know that the department has been in contact with both Carmacks and Mayo to sort out the financial situation in respect to this year. It has largely been a misunderstanding about a nine-month calendar year regarding the allocation of dollars as opposed to a twelve-month allocation of dollars. I know that the department has been speaking to the various LIDs. If necessary, down the road here I would make myself available, just like I always do.

Mr. Porter: In all the questions in relation to this particular issue, the minister had stated that it was his understanding that the problem the LID in Teslin faced was one as a result of their failure to budget properly. Is that still the minister's position, as a result of the meeting with the Teslin LID?

Hon. Mr. Lang: There was a misunderstanding between the department and the LID. Further, there was an increase of \$50,000 under the understanding that they would try to see whether or not that monies would be made available. That has been clarified and it has not been made available and, subsequently, they are working under the same terms and conditions as any other local improvement district in Yukon. I am sure the member opposite would agree that all communities should be treated equally.

Question re: Child Welfare Act

Mrs. Joe: I have a question for the Minister of Health and Human Resources. Given the importance of the *Child Welfare Act*, will the minister make a commitment that he will refer the *Child Welfare Act* to a select committee of this House?

Hon. Mr. Tracey: No, I will not make that commitment at this time. I am firmly convinced that we can deal with it in this legislature. I do not think it is necessary that we set up a special committee to review that legislation. However, if it is found that it is too detailed, I will consider it at that time.

Mrs. Joe: Can the minister tell us if it is the intention of his department to bring the bill in in the spring session of the legislature?

Hon. Mr. Tracey: I would doubt very much that we could have it prepared for the spring.

Mrs. Joe: At the committee stage of the bill, can the minister tell us if it is his department's position to agree to the calling of expert witnesses?

Hon. Mr. Tracey: It is going to be almost a year from now before we deal with the bill. I think that question should be addressed at that time. How can I give her a good answer today?

Question re: Skagway Road

Mr. Penikett: Another question for the government leader. Last Thursday, the government leader indicated that his discussions with Governor-elect Sheffield and others did not touch upon the subject of reopening and upgrading of the Skagway road although Cyprus Anvil had recently expressed a preference for this route. Does the government have a firm position on the Skagway road alternative to the rail line?

Hon. Mr. Pearson: Our position is that it is not an alternative to the rail line at this point. The road has been built with some restrictions put on it in respect to commercial traffic and those restrictions are there. That is our policy at the present time. It is also the policy of the Government of Alaska.

Mr. Penikett: Is the government leader in a position to state the policy preference for the three routes, perhaps by grading them one, two, three?

Hon. Mr. Pearson: Without doubt, I would have to grade the railroad as number one; there is no doubt about it. We feel, on this side of the House, that that railroad is vital and important to the economic well-being of this territory. It being closed down now is a good indication of how important it is to us.

In respect to the other two roads, I guess it really depends on what kinds of things you are looking for. As the present time, there are more tourists travelling the Haines road than the Skagway road, but I can see that changing, too, in spite of the railway and in spite of the number of people who are going to be carried, as tourists, on that train in the summertime. There are, in fact, getting to be more and more tourists on that road all the time.

From a commercial point of view, the Haines road is the commercial route to the Pacific ocean. It is, by the way, for the edification of the leader of the opposition, the alternate route that is specified in the agreement with Cyprus Anvil, in respect to alternate transportation to the coast. So, certainly, the Haines road is important from that point of view.

Question re: Public Service Commission

Mr. Byblow: I, too, have a question for the government leader on a Public Service Commission matter. The government leader previously has said that the policy of one day lay-offs prior to completion of a six-month work period was not used in any way as a restraint measure to reduce the amounts of retroactive pay paid to employees. Is the government leader aware that if a casual employee was laid off for one day, before September 24th, he or she did not receive any retroactive pay for the time he or she may have worked during the retroactive pay period of April 1 to August 19; that latter date being the date at which a ten percent retroactive benefit was agreed?

Hon. Mr. Pearson: Yes, I am aware that that could have happened. I have not made myself aware of how many employees it might have happened to.

Mr. Byblow: It would appear that there have been at least a dozen employees affected by that. Would the government leader confirm, then, that he is aware that an employee who was laid off for one day during any period of that retroactive time would only receive retroactive pay for the post-period of the remaining retroactive time?

Hon. Mr. Pearson: Yes, the policy is quite clear.

Mr. Byblow: The government leader has referred to this procedure, in the past, as a scam and he said that it would not be encouraged, so I would like to ask him what he is prepared to do to compensate the, at least, dozen people who lost thousands of dollars, victims of this government's scam?

Hon. Mr. Pearson: I did not say it was a scam at all. We have the responsibility to establish policies in this government with respect to the pay of casuals. We have said, time and time again, that we did not want to use the one-day lay-offs to perpetuate casual employees, and we do not do it. But the alternative is pretty horrendous. If we do not have the latitude to do that, in some cases,

it will mean laying them off, not for one day, but from that point on, and I do not want to do that.

We try and not use this one-day lay-off unless it is absolutely necessary, and in some cases, it is absolutely necessary. I can say, unreservedly, that in no case was anyone laid off for one day so that we would not have to pay them retroactive pay. That was not done.

Question re: Liquor price increase

Mr. Kimmerly: A question about the liquor prices again, but from a different point of view. I have been told by a good beer drinker that the price of beer has recently gone up. Is it the government's policy that the price increase for beer reflects the increase in the cost of price and only that?

Hon. Mr. Lang: One would never accuse the member opposite of not being tenacious. It is a complicated formula, but what it amounts to is that the freight rates are put on the cost of bringing in the liquor and subsequently, a percentage mark-up is put on the goods by the *Liquor Ordinance*.

It should be pointed out that we try to keep costs down, but one of the ramifications of the slight increase that took place here approximately two weeks ago was because of the White Pass and Yukon Rail being closed down and having to come through Haines, and the subsequent strike. It would seem to me that that also heightens the importance of the White Pass and Yukon Rail, as the government leader indicated earlier in a previous question.

Mr. Kimmerly: That is an interesting formula. The food prices study spoke about it. Was it the policy of the Liquor Board to sell the beer warehouse before the price increase, to reflect freight increases?

Hon. Mr. Lang: I believe the answer is yes.

Mr. Kimmerly: Is it the government's policy to keep the price of liquor to the six and five guideline?

Hon. Mr. Lang: It is very difficult to make a commitment of that kind because first of all the member opposite recognizes the ability that I have as a member, but I would like to inform him that I do not make the beer or the whisky. Subsequently, we are charged accordingly and if those costs go up, the consumer pays. If they go down, the consumer pays less.

Question re: Northern taxation benefits

Mr. Falle: I would like to ask the government leader to clarify this government's stand on northern taxation benefits.

Hon. Mr. Pearson: I guess probably our stand has to be that we are not very pleased with the announcement made by the Government of Canada about northern taxation benefits. There is no question there is not going to be any northern taxation benefits by 1987. Obviously, the regime that has been set up is designed to eliminate all benefits by 1987. I do not think that the regime that has been put in place has taken into consideration the multitude of submissions that were made to the Government of Canada from Yukon and the Northwest Territories, by people of every walk of life.

All of labour, all of management, every government body that there should be some sort of fair and equitable and universal tax break for northerners. They obviously have disregarded that entirely. I still think that is the best scheme.

I guess if I could say anything positive about the regime that has been put in place, it takes away the doubt that was existing for the union people at Cyprus Anvil in respect to their negotiations. This should have eliminated one of the major stumbling blocks that was left in those negotiations.

Question re: Whitehorse downtown core plan

Mr. Kimmerly: An important constituency question, not about liquor. I have a question for the Minister of Municipal and Community Affairs. There is a draft downtown core plan for Whitehorse which addresses, although minimally, the Yukon river question. Is the minister involved in negotiations with the city about this plan?

Hon. Mr. Lang: Not at the present time.

Mr. Kimmerly: Did the government express any position or any general policy with regard to the question?

Hon. Mr. Lang: I am going on memory; I do not think any firm decisions have been made. If the City of Whitehorse wishes to discuss it, I am always available at 667-5427.

Mr. Speaker: There being no further questions, we will proceed to orders of the day, under government bills and orders.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS

Bill No. 17: Second Reading

Mr. Clerk: Second reading, Bill No. 17, standing in the name of the hon. Mr. Pearson.

Hon. Mr. Pearson: I move, seconded by the Minister of Education, that Bill No. 17, *Public Sector Compensation Restraint (Yukon) Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. government leader, seconded by the hon. Minister of Education, that Bill No. 17 be now read a second time.

Hon. Mr. Pearson: Before proceeding to detailed examination of this bill, I would like to take the opportunity of reviewing the circumstances which have made it necessary.

I should, first of all, repeat what I have said previously that we are not bound by federal legislation to comply with federal "six and five" guidelines, but it has been clearly indicated to us that we are expected to comply in all essential respects with the national program. The principle purposes of this bill, therefore, is to put into place a program of public sector restraint in those areas for which this government is responsible.

In doing so, we will be joining with the provinces and the federal government in the common effort to limit the ravages of inflation.

The first part of the legislation that I would like to discuss is the element of roll-back. As hon. members are aware, all sectors of the public service have had a ceiling of ten percent placed on increases in their salaries. For members of the managerial and confidential exclusion category, this increase came into effect on January 1, 1982. For other members of the public service, and for members of the Legislative Assembly, the increase began on April 1st and for teachers it began on September 1st.

When the new collective bargaining agreement was entered into with the public service alliance, however, it had been decided that, as an economy measure, the government would withhold the ten percent increase starting on August 19th. This meant that members of the public service received the increase between April 1st and August 19th but, since that time, their salaries have remained as they were prior to April 1st in exchange for a nine-day fortnight.

In order to put members of the managerial and confidential category on the same footing as the rest of the public service, it was necessary to reduce their salaries by ten percent effective August 19th. Since this roll-back has neither a contractual nor legislative basis, it has been included in the bill before you.

Since the Yukon Teachers' Association had entered into their agreement with us before the introduction of the nine-day fortnight, the teachers have been receiving, and will continue to receive, the agreed ten percent increase until August 31, 1983. The second term of the teachers' contract now provides for an eight and one-half percent increase without a dental plan between September 1, 1983 and March 31, 1984.

This will be rolled back to six percent and extended to August 31st, 1984.

In order to give hon. members a complete picture of the salary position as it stands at the moment, I should mention that indemnities for members of the Legislative Assembly have also been rolled back to the levels which were in effect prior to the ten percent increase on April 1st. There is also a special category within the collective bargaining units of the public service which have been receiving the ten percent increase. These are those employees who work shifts where 24-hour service is required, such as the senior citizens' homes; the employees at three remote road maintenance camps; and the pay-roll section of the Department of Finance, all of whom are working a standard ten-day fortnight. This bill, therefore, will impose a two-year cycle of restraint on

salary increases in the public service; including managers, order-council employees, confidential exclusions, teachers and judges. For all categories except teachers, the increase will be limited to six percent between April 1st, 1983 and March 31st, 1984; and five percent from April 1st, 1984 to March 31st, 1985. For teachers, as I have said, the increase of six percent will apply upon completion of the first year of the current contract and five percent will apply from September 1st, 1984 to August 31st, 1985.

Members of the Legislative Assembly, the Speaker, the leader of the opposition and ministers, although not covered by this particular piece of legislation, will be governed by the restraint program in a special amendment to the *Yukon Council Act*, to be introduced at the spring session in 1983. The compensation package for the legislature has always been dealt with separately from the public service and this should take place at the normal time, which is in the spring.

There are several remaining significant elements of the legislation to which I would like to refer before closing.

It will be noted that this legislation is to apply to municipalities and local improvement districts. This will have the effect of limiting increases for mayors, alderpersons, trustees and all other employees of municipalities and local improvement districts for a two-year cycle, commencing January 1, 1983, the starting date of the fiscal year of local governments. The interesting thing about the advanced date of the application of this policy to municipalities and local improvement districts is that they will be the first members of the public service sector to complete the two-year cycle of the restraint program.

For lawyers, this legislation establishes a limit on the increases to fees payable under the *Legal Aid Act*. The permitted increase will be up to a maximum of six percent of current fees, prior to April 1st, 1984, and a further five percent prior to April 1st, 1985. Referring to the legal profession, I would like to point out that these fees represent only a part of their total income; the balance being earned in the private sector, which this legislation does not control. I should add that the lawyers have already agreed to accept a ten percent reduction in legal aid fees in the year ending March 31st, 1983. I would like to commend the profession at this point for the responsible and public spirited attitude it has taken in this regard.

Having mentioned the legal profession, I think the hon. members will have noticed already that the medical profession has been omitted from this bill. The reason for that is because the medical profession has agreed to accept the imposition of limits of six percent and five percent for the two fiscal years of 1983 and 1984, and 1984 and 1985 with respect to fee increases, payable under the *Health Care Insurance Act*. It has also been agreed that the limits of six percent and five percent would be varied slightly with respect to operating costs, where it has been recognized that these costs, primarily because of rising fuel costs, make it necessary to expand the standard application of the restraint formula.

As with the lawyers, I would like to pay homage to the medical profession for the responsible way with which they have handled the application of the restraint program. And it gives me great pleasure to be able to say that a new agreement has been worked out to our mutual satisfaction.

One of the two remaining points is the application of the program to electrical public utilities. It is our understanding that the federal six and five program will apply to the Northern Canada Power Commission. As a result, the Yukon Electrical Company will be protected from rising costs to the extent that it is dependent on NCPG for the power it purchases. In order to be equitable, therefore, this legislation proposes to limit rate increases, which can be authorized by the Electrical Public Utilities Board, to six percent and five percent during the calendar years 1984 and 1985 respectively.

Again, a variation is necessary, however, to allow private public utilities to exceed those limits where necessary to cover the costs in the price of petroleum.

Finally, I should point out that this legislation does not apply to the operation of the Workers' Compensation Board. It is the view of this government that the board should continue to have the authority to make its awards and to vary them as may be necessary from time

to time in the life of individual circumstances.

It is also the view of this government that annual increments and merit increases in pay throughout the public service should not be limited by the restraint program. The purpose of this legislation is to impose limitations on salary increases which have escalated in recent years as a result of inflationary pressure, and which were designed to enable employees to adapt to economic circumstances. Annual increments in pay existed long before the introduction of increases to cope with inflation, and, are intended to reward employees in relation to their efforts and achievements. To withhold or to limit these kinds of increases would be to discriminate against our best employees.

In closing, I would like to say that I regret the necessity for this legislation. As most other governments in Canada, it would be our preference to let salary levels be determined in their entirety by the normal collective bargaining process. But, having acknowledged that we must have some parameters, we have made every effort to impose restrictions in such a way that collective bargaining can continue.

Although there is a financial seal in place on what the government can concede, it is our intention to enter into negotiations in good faith with the public service alliance for a new collective bargaining agreement for public servants, commencing April 1st, 1983 and to allow the widest possible latitude for the union and the government to determine the extent to which the increases are to be made up of salary and other benefits.

16 Mr. Penikett: I rise to oppose in principle Bill No. 17 because we believe it is both unfair and unnecessary. Bill No. 17 and its counterparts across the country may even be popular legislation. That does not make the principle imposed in these laws right. I believe the principle posed is this legislation is the opposite. I believe it is profoundly in error.

Right across this country, from one end to the other, we have a maze, a great variety and profusion of so-called restraint programs. Most of them, like the "six and five" program are wage control programs, not price control programs. Most of the nearly one and a half million public employees, whether they are federal, provincial, municipal or school board employees across the country, are now governed by these kinds of laws. Apart from Prince Edward Island, which to my knowledge has not announced the program, only Manitoba has placed the emphasis on controlling prices as opposed to wages. Some of the provinces, in response to that complaint, have said that they still have rent control programs in place and they have other programs to deal with the problem of prices that are administered by provinces.

We do not have any of those programs here. In fact, the government as recently as yesterday said it was philosophically opposed to them. Many of the provinces, particularly the Conservative provinces, have claimed to be opposed to the Liberal program and they have cited its rigidity as one of the reasons that they have implemented similar programs. Some of them have noted that the federal program is particularly unfair in that it applies a single-percentage formula to both the relatively wealthy public employee and at the same time the lowest income public employee — a fundamentally unfair rule that allows six percent for the \$100,000 a year employee as well as the \$10,000 a year employee. Some provinces have adopted a sliding scale in recognition of that unfairness, but that is not the case with this bill.

17 I am bound to ask the obvious question that will be asked by all public employees in this territory. Why now? Why here in Yukon do we have this measure which is presented, and was presented in Ottawa, as an anti-inflation proposal? To state the obvious, inflation is not the problem with the Yukon economy today. The problem in Yukon economy today is unemployment.

This bill will do nothing, nothing whatsoever, to deal with the major problem facing the Yukon economy.

It is, however, supposed to deal with the problem of inflation. What inflation? 60 percent of the average family budget of people in this territory and the working people everywhere in this country is made up of three items: food, fuel and housing. This measure will do nothing to control food prices. It will do nothing to control fuel prices. It will do nothing to control housing prices. If we really

wanted to deal with inflation in this country, we would be implementing the recommendations of the food prices committee reported last year.

We might be introducing rent controls, whether they were fair or not. We might be introducing rent controls because they are an anti-inflation measure. You can have an admittedly unfair piece of legislation. I think the government leader recognized that in his speech, that he did not want to do it, but he had to. By that, he admitted that it was unfair. If an unfair and ineffectual measure is acceptable, then surely an unfair but acceptable measure, like rent controls, ought to be in order. But, no, we do not have that.

What we have is a fundamentally conservative measure. We have a proposal that controls wages, but does nothing about prices. We have that in an local economy that is right now, by any technical standard, in a depression. If anyone has read any history, if anyone has ever read any economics, they will know that this kind of measure was tried at the outset of the last depression — did not cure it, it aggravated it — and it may have contributed, in some sense, to the very event itself.

18 Why do we have this? It has been suggested — I think the government leader said this and do not want to misrepresent him — that we are doing it because the feds made us: Daddy made us do it. Well, that is very interesting, very interesting, especially in the light of the remarks by the member of Parliament for this territory at a recent convention that he attended in Whitehorse — he is not here often, so I am sure members opposite will remember the occasion — where he talked about the need to do more for the working men — he did not mention the working women — the government should be seen to be doing more for the working man. Well, they have done it, they have done it today. They have really done it to the working man today.

But, they have an excuse: "the feds made us do it". This is the justification coming from members opposite. These are the tough guys who want to take the feds on on land; they want to take them on on land claims; they want to take them on on the Constitution — real tough guys, and one tough girl.

The member for Old Crow is held in deep affection by members from this side of the House, but I do not know if "tough" is the first adjective we would use, we will find that out.

We have these members opposite, these brave champions of everything that is brave and reactionary in Yukon, prepared to take on Ottawa on matters of high principle. Yet, when it comes to the fundamental principle of income security of working people, their employees in the territory, there is not a squeak, not a whimper, not a word.

I want to say this, because it is important: I want to say something about the federal act that we are copying; I want to say something about the law to which are about to submit ourselves; I want to say something about this terrible Liberal bed which the Tories are slipping into; I want to say something about the awful principle on which the Liberals and Tories in this country are joined in perfect harmony.

The "six and five" program, as it has been legislated federally, is nothing more or less than a wage control program for public servants for the next two years. It means that public employees will experience a real loss of income, nationally, of ten percent. Many hundreds of thousands of other workers, including the employees in Yukon, are going to be suffering in the same way, some of them to the same extent.

19 But much more is at stake; fundamental civil liberties, which have been won in a tough struggle over hundreds of years, mainly, the right to bargain collectively and the right to strike, have been wiped out in the federal law by a stroke of the pen.

As I have said before in this House, the government began setting the stage for the wage control program two years ago. In January, 1981 the Liberal Cabinet was presented with a paper on anti-inflation policy options — that is what it is called, "anti-inflation policy options" — which devoted little space to the causes of inflation, but a lot of space on ways to fight it. The main recommendation was to reimpose wage controls so that the government would "be seen to be doing something about inflation". A year later the federal government stated that public sector

controls were "an essential component of any credible policy" and initiated consultations, as I have said before, with the provinces back in February, and they began similar talks with business leaders back in May.

The final impetus came from a public opinion poll done by the Liberal pollsters, which found that Canadians "wanted to strike out and see some measure of punishment of the civil service, a group that has insulated itself from the hard economic realities of the day". As I pointed out before, that is all the Liberals had to hear. Never mind that inflation in Canada has little to do with wage demands and everything to do with the Liberal policy of high interest rates: a policy adopted from their Conservative counterparts in the United States and Britain. Never mind that many federally-regulated corporations had risen prices much higher than that in the previous year. Never mind that valid, signed agreements were being broken and negotiated settlements destroyed. Never mind that, in recent years, and this is documented, the public servants have consistently lost more ground to inflation than other wage earners. Never mind that this kind of rough justice, to use Mr. Trudeau's words from 1975, hits low income workers harder than higher paid senior executives.

I want to point out one other irony of the federal legislation. Last year, using the excuse of difficult economic times, that wonderful regime in the great state of Poland crushed the fledgling solidarity trade union movement, a movement that saw its fullest expression in the attaining of free collective bargaining rights for those workers.

20 Using the same excuses that were embodied in the federal law that I just referred to, Bill C-124, and the Conservatives and Liberals in the House of Commons, stood united to do the same thing in Canada to public employees, that the Polish government had done to solidarity there. It is interesting that while members of the Liberals and the Conservatives attacked the Polish government for doing what they did, here in this country they supported the same measure without any hesitation.

It was because there had been such perfect unity between Liberal and Tory principle in the House of Commons on this question, such perfect agreement, such absolute concord, such an absence of even a speck of light between their philosophies on this question, that I asked on November 16th in this House the government leader the following question about the "six and five" wage controls. I said, "I have a question for the government leader. Earlier this fall the government leader said he expected the federal government to order the Yukon government to impose the so-called 'six and five' wage control on Yukon public servants. Will the government leader state whether he has had any more indication from the federal government on their intentions in the matter of wage controls and does this government endorse or oppose the imposition of the specific 'six and five' program in Yukon?"

The government leader replied, "We were deemed for this year to have met the 'six and five' guideline set by the federal government in spite of the fact that we did not. I think that is sufficient to answer the question of whether we agree with it or disagree with it. That is not the question. It is whether it is practical or impractical in this territory. I submit that we were in a situation with our employees where it was not practical and we were able to convince the federal government of that. In respect to the imposition of 'six and five' there is little doubt that the federal government expects us to live within those guidelines. I do not believe anymore that they are going to order us that we must impose 'six and five'. What they are saying to us though, and we are on notice and we have been told quite emphatically that 'six and five' is a fact of life and they will govern all transfer payments to this territory."

My supplementary was, and I quote, "I thank the government leader for his answer. I ask him a very specific question in regard to the general program: is it the intention of this government to support the federal government's moves by legislation, it is now law, to remove collective bargaining rights from public servants as was done by an act of Parliament?" The government leader replied, "No, I sincerely hope that I am never put in a position where I have to, never mind support but, be the author of that kind of legislation."

We have no interest in limited collective bargaining rights in any way, shape or form."

21 On November 17th, the government leader rose in question period to amend his answer slightly and I would like to read that into the record. He said, "Yesterday, in reply to a question, I fear I may have misled the members on the House on the opposite side because I evidently misled some of the media. I was surprised to hear that I had said yesterday that we would not table 'six and five' legislation in this House. Now, I am in absolutely no position to say such a thing because I do not know if we will find it necessary to table some guidelines in this House at some time in the future. I want it well understood that those options have to be left open to us to do that. The point I was making in reply to the question, 'has the federal government ordered us to table 'six and five' legislation', the answer is no, they have not ordered us to do so and hopefully, we are not going to have to. If we have to table the 'six and five' legislation, I am hopeful that it can be done without taking away the bargaining rights of our employees."

I want to turn later to the bargaining rights of employees, but I wanted to quote from those two answers on November 16th and 17th — just a short time ago — because, initially, on the 16th, I was reassured by the government's answer that we were going to have a tough stand by this government in regard to federal law; a stand I would have supported. I was encouraged by the answer on the 16th; I was concerned about the answer on the 17th. I guess the final word on the subject is, today, December 7th, in bill 17, and I do not like the answer at all.

I have said that the legislation is unfair. I believe that there is adequate documentation. If you compare private sector and public sector agreements in this country, it will be demonstrated that public employees have fallen behind. Their relative position, compared to that of the private sector, until very recently, had declined. In 1978, for example, increases in the federal employee's basic rates in the major collective agreements went up 6.7 percent, versus the private sector's 7.7 percent. And a similar relationship existed right up until the first quarter of 1982, when public employees had 11.5 percent and the private sector had 12.3 percent.

As a result of the dramatic recession and the loss of something like a half a million jobs in the last few months, obviously the market-place has had considerable effects on the wage demands and settlements have fallen dramatically, in fact, there is evidence recently coming out from one of the economic study groups that the wage claims had fallen into the "six and five" category before the program was ever announced.

I want to say that this confirms our previous experience with Liberals with respect to control programs; that they are basically public relations exercises, they have nothing to do with the real problem of inflation, and they certainly have nothing to do with the more major problem of unemployment.

I want to say — and I make the point seriously — that I recall the time the wage and profit controls were introduced in 1975-76 period, to the fact that there were already indicators in the international wholesale price index — not the retail price index or the consumer price index — that prices were already moderating by the time they introduced the program.

22 In other words, they were attempting to piggyback a public relations program on an economic reality and then claim credit for it. I have said that I think the program is unfair. I believe it is unfair and I think the evidence proves my point.

I want to also say that it is unnecessary. I want to explain why and I want to make this point, based entirely on local history — a history which the government leader will know as well as any member in this House. He will know that the Yukon Territorial Public Service Association has been bargaining with this government for some 15 years now and, in that 15 years, there has never been a work stoppage or a strike and even, the most recent time around, the union accepted a ten percent wage increase. They accepted a ten percent wage increase, which was far below the 15 percent that had originally been recommended by the conciliation board.

This union agreed to a cut in the work week of ten percent. They agreed to what has become known as the "nine-day fortnight", so,

in essence, they received no increase in their take-home pay this last year. This union was founded by people, many of whom in very responsible positions in this government. I can think of three individuals who the government leader will know well, one of them the head of a Crown corporation here; another one a very senior official close to the government leader; another one a very senior employee of the Highways department, who were probably the founding members of this union. No one would ever suggest that this is an organization founded by a group of flaming radicals or revolutionaries or people who were about to hold their friends and neighbours and colleagues and communities to ransom. These are thoroughly reasonable people, thoroughly responsible people. So reasonable and so responsible, in fact, that they have been promoted to the highest levels in this government.

I do not believe that the present executive of this union is any less responsible, any less reasonable, any less prepared to sit down and talk freely with this government and reach an agreement within the means of this government, without a strike, without a work stoppage, without any disruptions, and without the necessary necessity of this legislation.

The government leader has indicated in his answers to my question of November 16th and November 17th, and in his address today, that collective bargaining rights are not affected; Bill Number 17 does not take them away in the way the federal act does, but it does effectively eliminate pre-collective bargaining because compensation referred to in this bill means all form of pay, benefits and perquisites, direct or indirect, and it includes all forms of holiday and leave.

23 Unless you recognize the right of unions to negotiate moral questions, spiritual values or epistemological issues, there really is not a lot left to talk about. I am sure the more materialistic members opposite will recognize that practically everything which they can legally negotiate, in one form or another, comes down to the question of money. This bill means that none of those items are negotiable anymore.

This bill is historically a step backwards. It takes us back 15 years to the days before this union was created, to the days when the union is no longer able, legally, to give the protection to its members that they deserve and the members of that association are now dependent again on the goodwill, or the bad will or whatever, of the employer. The bill does not specifically repeal or bar the right to strike as it exists in the *Public Service Staff Relations Act* and I do not think that it needed to because, as I indicated, the history of this union demonstrates that there has never been any necessity to do that.

There is a real question that these wage controls will fundamentally undermine a good working relationship which I think has developed between this government and its employees and which has provided the kind of stability and sense of fairness in union-management relationships here which, in the past, might have been the envy of many other jurisdictions.

I will say again that singling out a particular group of employees, as the Government of Canada and the Government of Yukon have done, is discriminatory and it is arbitrary and it is unfair and I think it is fundamentally unnecessary.

The bill applies to all compensation. In definitions, it includes "perquisites". We do not know what constitutes "perquisites", but maybe it will involve Cabinet cars or employee cars, things like that. We know that the *Income Tax Act* now puts evaluation on those things. It will be interesting to know whether this bill does. We do not know whether it applies to northern benefits. It may have particular problem with some employees in municipalities whose compensation, as defined by this law, is tied with the anniversary date of their employment and it is conceivable that some of them attempting to benefit from the holiday and leave provisions of that law may fall afoul of the "six and five" rule.

24 They may not get money they are already legally entitled to. The bill overrides existing contracts, it diminishes the right of arbitration, the right to bargain for money is removed, the only good thing I can say about that is that it does not affect workers' compensation. It applies to, as the government leader said, all of our employees. It is, as has been noted, pegged to August 18th and that is a

significant day because it is the day before the introduction of the nine-day fortnight — an arrangement which was negotiated in good faith by this government and its employees. Employees will be able to get six percent more in the next contract and will be able to get five percent more in the following year. There is for the YTG employees no stipulated limit after April 1st, 1985. So the YTG employees will have had one year of a ten percent entitlement imposed by the Yukon government under conditions that I might note to the government leader are considered and called "bargaining in bad faith", over the half a year of reduced working hours and then two more years under "six and five" controls. The YTG employees, it is worth noting, will still be under controls long after the program has ended for federal employees.

The teachers, as people know, in this territory do not have the right to strike. They have binding arbitration in their contracts. That process recently produced a two-year contract with fairly modest increases in both years. This bill, as I understand it, rolls back the legally-made contract between the two parties in the second year. I expect that the teachers will be quite upset about that because they were under a definite impression that if they co-operated with the territory in cutting back costs their contract would be left alone. And I have been told that a minister of this government at a recent school council meeting, only last month, told them that there would be no imposed controls if the teachers co-operated in cutting costs. But the teachers are today placed under that controls program. The teachers will be under controls five months longer than the other employees covered by this bill.

The bill also covers municipal employees and politicians and I expect we will be hearing about that because I had heard some public announcements recently that the bargaining position of the municipalities in some cases was going to be a zero percent increase. I suspect that these limits will now become ceilings rather than floors.

The bill covers legal aid fees. We previously had from the lawyers a voluntary roll-back, if you like, a voluntary cut-back or reduction in their fees. So we are now going further and extending to them the coverage of the "six and five".

²⁵ The act is intended to control prices for electricity. Of course, that will apply, principally, to Yukon Electrical; NCPC is supposed to be controlled by the federal law and I think we will have to wait and see how well that works. It does allow an electrical company to charge whatever they have to capture extra costs for petroleum.

I must say that is questionable economics and it is a distortion of the precious free markets that the Conservatives talk about when they warn us of rent controls. Of course, left for any long term, it would guarantee that there would be no new capital investment to get off oil, as the stated purpose of another program is. In fact, there would simply be a profit to be made in burning diesel oil.

I feel bound to point out that, if we had this kind of loophole, as it reflected not just the private power company but employees, then, maybe, the bill should restrict wage increases to the amounts necessary to employees to pay increased costs of fuel, household utilities, food, rent, mortgage interest, transportation, medical care, clothing, school tuition and other commodities and services which are used for the maintenance and well-being of the household. Of course, the bill does not do that.

The bill says that it applies to all public servants but that the restraints will not apply to merit increases. That is interesting: the government leader commented on it and I expect that we will comment on it more in committee.

I do not know the details of the way compensation for managerial employees — which, I gather, in this building include executive assistants and people like that — is organized. I understand that there has been a spread from a minimum to a maximum of about 30 percent possible in the previous arrangements and I understand that managerial employees are rated for performance and have received increments accordingly. If they are rated unsatisfactorily, they get no increase; if there is room for improvement, they get two percent; if they are satisfactory, they get between two and four percent, depending on how satisfactory; and, if they are superior, they get four percent unless they are already at a maximum.

In addition, they may be also entitled to a cash payment of not

more than three percent of their salary. I guess most people would call that a bonus. There are some exceptional employees who may be able to get four percent and up to a six percent cash bonus, which, I gather, would be pretty rare, but I am curious about the implications of that on the program.

I understand that the departments have been given a 4.5 percent merit increase budget to keep from making higher awards to all employees. It seems to me that it is at least possible for managerial employees, the upper income employees of this government, to get more than this program allows for its workers who are in the collective bargaining unit, or for all other workers.

²⁶ I think the bill, as I said, is unfair. I think it is unnecessary. I think it is regrettable. We have said that we opposed this bill and I wish instead that we had been debating a measure today which we could have supported. I wish instead that the government leader had said, "look, as a matter of philosophical principle, we really disagree with the federal government on this one, and we would like to fight them". As the M.P. for Yukon says, "on behalf of the working man".

We would like to get together with the members opposite and have a unanimous stand on this bill — because we think it is unfair, because we think it is unnecessary and because we do not agree with the federal Liberals on this principle. I want to say to you that we would have been ready to stand with them, shoulder to shoulder. — The Minister of Education proposes that we stand belly to belly; that would, in this House, be a rather unseemly posture for the both of us. — We would have been prepared to stand shoulder to shoulder with the members opposite and fight this awful legislation, because not only do I think it is a bad bill and a bad law, but it is also bad economics, bad civil rights and bad government. In the end, I think it is the kind of measure that brings government, politicians and public institutions into discredit.

Bill 17 may become popular in the territory; Bill C-124 may be popular in the country, but there are times that even when a measure is popular, it is possible it can be wrong. This is one of those occasions where I think this legislation is wrong, and I stand here to say so today, and to oppose it.

Hon. Mr. Lang: I rise just to make a few comments in respect to the bill before us and I think the government leader made it very clear that it is regrettable that we have to bring legislation of this kind forward. The leader of the opposition says it is not necessary and I guess that is where we disagree. It is strictly from a financial point of view that we think it is necessary, in point of view of the position of our national government and the general economic situation that we, as Canadians, face at the present time.

I do not think anybody in this House, or any member of the public, is enjoying, what at the present time appears to be, the bankruptcy of our country.

²⁷ I do not think it is just a question of singling out the public servants of the country or in Yukon. It is a question of the general economic thrust of Canada and, of course, how it relates to the international metal market, in our particular case, but also the international trading partners and the economic problems that they are confronted with, as well.

Sometimes I think to myself that, perhaps, it would be easier to be a member of the opposition and be able to stand up and make the speeches, the platitudes and the general philosophical statements without any fear of contradiction and, least of all, responsibility, when it comes down to the bottom line.

The legislation we have before us, as I have indicated already, I am sure members on this side of the House regret the fact that we have to bring it forward. On the other hand, we have the responsibility, as all members of this House have, in respect to the general leadership and also letting the general public, in this case, the public servants, exactly what is in store for us as far as our financial picture and the transfer of payments that we are going to have to rely on, over the course of the next couple of years, from the Government of Canada.

We have been very fortunate to date. We have not been forced to go into major lay-offs. The government leader has made it very clear that that is one option that he would just as soon avoid, if possible. In fairness to the members of the union, and I have to

commend them for their negotiations and the fact that they were prepared to accept a nine-day fortnight — and that was arrived at on a consensus between the government and the union — I think it was a responsible decision and it permitted and allowed the government that is required to offer public service to the people of the territory to operate over the course of this year.

If you look at the legislation, it is very clear; it is maximum. I recognize the leader of the official opposition is in a difficult situation because it leaves the ability for collective bargaining — as opposed to what is in place, at the federal level — in place so that there can be some negotiation. I would just like to expand a little further and I want to take the leader of the official opposition to task somewhat in respect to some of his comments.

With his limited knowledge of economics he talks about the economy, in a general sense, as far as not just Yukon is concerned, but as Canada is concerned, in relation to this bill we face.

28 I just want to — for the record, as the member for Whitehorse South Centre would say — to say the reason that we have the fuel prices that the member opposite was referring to in his speaking to the principle of this bill is that he and his party were very much involved and very much take credit for the fact, as opposed to the 18 cent levy, they opted to bring down the Conservative government of the day with the Canadian blended price of Alice in Wonderland.

I take a look at the United States, where their inflation is down, but their unemployment is high. In that country they have taken a look and said, "We have a major problem, twofold, in that our public infrastructure, highways, etc. need major development. We have major unemployment. How can we combine the two in order to resolve in part the employment problem and at the same time find the money to go ahead and fix up and reconstruct our major highways and thoroughfares." What they did was they levied a tax on gas to the motorist and are going to go ahead with the major public works program which will be paid through that particular levy and permit approximately, I believe, 170,000 people to find jobs across the United States of America.

In Canada, you know what we do with the aid of the party that is represented across the floor and who happens also in the same person to be the president of that particular party which supports the national energy program — we buy a bunch of gas stations! We buy a bunch of gas stations that no member in the gallery, public or this House ever gets a dividend from other than the fact that the leader of the official opposition who supports that type of philosophy and the present Government of Canada can say to the people of Canada, "You own gas stations".

What I am getting at is that the root of the problem is a number of issues. I agree in part with the leader of the official opposition; this is a symptom. It is not the major problem that we, as Canadians, face, or, as Yukoners, face. The problem is the economic thrust and the direction of Canada in respect to the national energy program which the member opposite knows full well he can take part credit for; the consequences of FIRA which has had devastating effects in Yukon in the fact the partially Canadian-owned organization now that the members opposite criticize purchased Cyprus Anvil as opposed to foreign investment.

29 Cyprus Anvil could well have continued to work. But no, the members opposite do not take credit for that; they stand up and they oppose, in part or in total, some of the problems that directly and indirectly cause what I believe to be major policy decisions by the Government of Canada, which are now wracking and wreaking the repercussions across our country.

The members opposite have not spoken of the people in their ridings, who they represent, who are taxpayers, whether they are working or not, through the liquor taxation, cigarettes, property tax or whatever, which are ongoing costs to pay for public service, the cost that they have to pay for the overall running of government. It is a two-way street for the guy who is out of work, the guy who cannot find a job — not because he does not want to work, not because he does not have the ability to work, not because he is not prepared to take the responsibilities of any Canadian and, as a Canadian to become a part of the work-force — he is unemployed,

in good part, perhaps, depending on where he or she works, because of what I believe to be national mismanagement of investment into our country and the fact that we have not only discouraged investment, we have, as Canadians, taken in the figure of \$5 billion for Petro-Fina, \$5 billion outside our country. Then we wonder why we, as a nation and, in turn, our small government and any municipal government, are facing the economic consequences of those decisions.

I think it is important that we, as members of the House, have the responsibility to let the people of the territory know exactly what our financial situation is and what maximum limitations may be considered. There are no commitments that six percent could even be offered or agreed to. The point is that there has to be a limitation set somewhere down the line and that is what the legislation basically does. It does not take away the right to collective bargain and the leader of the official opposition has pointed that out already. It has set a limitation as far as the financial remuneration that the taxpayers of Yukon can afford or may be able to afford.

30 One thing that I think we have to avoid is that on any option that is available to go to binding arbitration there is not a ceiling set, similar to what happened in Alberta, where in one particular case, there was a settlement of 38 percent — which the consumer paid; I believe it had to do with the transit authority there; it went to binding arbitration — and the inequities that that put into the system in relation to other people who were working perhaps in similar jobs, whether it be private jobs or government agencies.

I think we have a responsibility to say that it is going to be applied as evenly as it possible can. The argument in respect to the private sector; I think that they are already to the point of being more than self-disciplined. I think we have all heard of people who have lost their jobs, people who have taken ten, maybe 20 percent cut-backs in wages to preserve their jobs in order that the company, small or large, be ensured of being able to operate, so as to have a place to work and the ability to bring home a salary.

I just want to conclude by saying that it is regrettable, and I want to reinforce the fact that none of us in this House — and I appreciate the position that the members opposite are taking — are enjoying debating this type of legislation. But it is our contention, in view of the economic situation, that we, in Yukon are facing, no matter where an individual is working, and just importantly for those not working, have a responsibility to try to set a limit, a maximum, in order that there be some guidance as to what financial remuneration may be available in the next two years ahead.

I know that the debate is going to go on for some time. But I want to impress upon people that, from our side, we are trying to do everything we can to ensure that those who are working can continue to work, but also we have a responsibility that we do not create a preferred work-place over others in the Yukon. It is a very fine line that we walk, and all I am trying to say is that we are trying to find that fine line in order to reach a consensus across the territory.

Mr. Kimmerly: I would say at the outset that we can always rely on the member for Porter Creek East to give us the political line on any question that comes before us.

The government leader attempted to be analytical, at least in part. The previous speaker gave us an entirely political line and I say many of his facts, or alleged facts, are wrong. He essentially raised four arguments; three really, and he mentioned a preferred work-place as the fourth. I will deal with them in reverse order.

He talked about the national policies of the federal government. The policies around fuel and the national energy policy were specifically mentioned and FIRA, the Foreign Investment Review Agency, and he has extended the previous comments he made about the ownership of Cyprus Anvil by an American multinational.

He had previously stated, if Standard Oil owned it now we could possibly be in operation here in the Yukon. It is interesting that a Canadian subsidiary of the same company, Standard Oil of Indiana, in Ontario on November 10, 1981 laid off 450 workers. The multinational companies are closing down Canadian subsidiaries at a regular rate all across the country. His facts are just simply wrong.

It is obviously the policy of the previous speaker that Canadian oil ought to be owned by the multinationals. That is a national question, of course, and our position is quite clear on the subject. It is a Canadian resource and ought to be developed for the benefit of Canadians. The same philosophy, or economic strategy, ought to be applied in Yukon. The member for Porter Creek East essentially made a political threat. He said the financial position of the government is severe, which it is, that is true, and if we do not have this kind of thing, we will have lay-offs. That is the implication of what he said. He clearly talked about lay-offs. That is an irresponsible argument to bring into the debate. If the money is not there, we are going to have lay-offs regardless of this legislation.

11 This legislation is going to make no practical difference: in fact, the territorial civil servants have, in this year over last, accepted a situation where they have no increase and they have demonstrated an excellent bargaining record around other strategies to avoid lay-offs. It is irresponsible to raise that issue as a threat; it is simply not the case.

At the beginning of his speech, he gave the real political line. "This legislation is regrettable, but we have to do it". Well, our leader has previously put the real fact on the record and has repeated the government leader's own statement of November 17th. The real fact is, and I say it again, that the federal government has said to this government that transfer payments are going to be governed by the "six and five" guidelines; they must be governed in their overall expenditures by the "six and five" guidelines. That is absolutely clear. He said, on page 160, November 17th, 1982, talking about "six and five" legislation, "The answer is no, they have not ordered us to do so". That is the real fact.

They do not have to do it. We know they must live within the general expenditure guidelines; that is what they must do. The legislation is not a necessity, the political line that it is regrettable but we have to do it is a false line; in fact, it is not the case.

The previous speaker also mentioned in passing the concept of a preferred work-place. The facts of the matter are that the private sector settlements, in the past five years have been substantially above the public sector settlements. It is true that there are some employees in the private sector who have not kept up with the public service settlements. Some employees in Yukon have, in fact, accepted, out of necessity, a decrease in pay. The lawyers' example is one of them; Trans North Turbo Air is another.

Overall, in the general sense, the settlements in the private sector have been in advance of the settlements in the public sector and there are some examples, generally concerning small businesses, who are worst off. Those are the facts of the matter and the general statement made by the previous speaker gives a wrong impression.

12 I wish to expand further on my leader's statement about price controls or the prospect of price controls. At the beginning I would like to quote from the past chairman of the British prices and incomes board. The English people have a lengthy experience with this kind of legislation; far lengthier than in Canada. We ought to learn from their experience. The chairman of the British board said this, and I quote, "Equity lies at the root of the income's problem. Without commanding a sense of equity no incomes policy can survive. This is the dilemma of an incomes policy". It is absolutely fundamental to our concept of freedom in a democracy that citizens believe that the government is acting fairly and equitably. Some things are symbolic. The pay increases of MLAs, for example, is symbolic. I say that the staff increases in the Executive Council office are symbolic. I say that cars provided at government expense to Cabinet ministers are symbolic. The public must believe that there is real restraint in all sectors and segments of the government before they will accept a cut in their own pay or their own economic position. It is a fundamental question of fairness.

There are substantially disadvantaged people in Yukon. There are government employees who received no increase who are facing rent increases and mortgage increases at a staggering rate because of the interest rates generally in the country and also in Yukon. On July 13th, I asked the government about rent controls only insofar as it corresponds to wage controls. The answer was clear and uncontroversial; they were opposed to it. It is on page 8 of *Hansard*. On November 23rd, our leader asked the Minister of

Consumer and Corporate Affairs about the food prices report finished in December, 1981 — 11 months ago, after extensive study — and the minister was able to say that he had a copy on it on his desk, but he had not read it.

13 He also said, in answer to a question about what the minister was going to do, and I quote directly, at page 228, "At this time I think it would be wrong to do that". He was talking about taking action on the recommendations. I asked again on November 30th; he was still not prepared. I asked the next day, December 1st, and on page 323, I asked three times about the unfair competitive practices in the Yukon food market. I did not ask about the fair practices, I asked about the unfair practices clearly on the record and the minister said on page 323 that he believed in them and he supported them. I asked again the next day on page 352 of *Hansard*. The minister stated and I quote, "I have not had enough time" to thoroughly investigate and do anything about the recommendations made 11 months ago.

The record on the government about taxing northern benefits, an election promise, which has since flown into the wind, is clear. The utilities charges charged to Yukon government employees under the Yukon housing charges in some cases increased this year 47 percent, according to the government's own press releases. That is the government's own record on prices.

The most unfortunate people in the territory are on social assistance and I ask the minister about increases for food allowances for people on social assistance. He had no answer in question period twice. Later in a written question, he indicated that they were last increased May, 1981, and he was looking at an increase in the spring, possibly. A two-year gap. And according to Economic Research and Planning Unit, the government's own report in the year prior to June 1st, 1982, the cost of food in Yukon increased 20.1 percent. That is the government's figure, not mine. There was no increase to the most unfortunate group in society and there was a real cost of prices for the most basic things: food, was up 20 percent; accommodation was up 12.4 percent; and the overall increase, 13.9 percent. That is the government's record. It is absolutely scandalous and totally unfair.

Mr. Byblow: I wanted to enter the debate to reinforce a couple of concerns raised by my colleagues on the subject of the bill.

14 The bill is a most untimely and damaging piece of legislation. I do not believe that this bill does anything for the economy. In fact, it aggravates and injures whatever economy we do have left. I, too, would like to ask the government what serious intentions do they really have in terms of improving, stabilizing or contributing to the economy by the introduction of this bill?

I do not agree at all with the Minister of Municipal and Community Affairs when he suggests that something of an economic advantage is precipitated by this bill. I do not see any advantage. I do not think the minister really sees any advantage. He already says that they do not believe in the bill, so why the bill? If the minister seriously thinks that some economic advantage is induced by this bill, that some economic advantage is induced by public sector wage restraint and, on top of that, he suggests that somehow Cyprus Anvil would be operating because of it. I suggest to the minister that he best get some lead out and do his homework. There is no way that the minister can say that Cyprus Anvil would be operating today if Standard Oil owned it. That is like saying that the territory is not facing any transportation problems, that we do not have any energy-cost problems, that we have no lead-zinc market-place problems and so on.

It is also like saying that foreign ownership is far preferable to the control and harvesting of our resources by local input. I think the suggestion is preposterous and I think it would suggest, to me, some serious lack of any real knowledge on economic affairs. When a bill like this is introduced, it does more damage to the limited economic base of the territory than might, on the surface, be suggested. I do not think any economic strategy would ever include public sector wage restraint as a stimulus for recovery.

We have facing us today a mining sector collapse. We have severely restricted exploration programs at this time of year, more so than ever. At this time of the year, also, we have no tourism and we have an anticipated reduced tourist season next year, so, it

seems to me, it is quite apparent just where the largest single economic base of the territory is going to be. It seems to me that if public works are a stimulus to the economy, and this government has demonstrated its belief in that principle, then any shrinking in public spending has to be damaging, and that would include wages.

» Let me explain: government, and thereby public servants, are going to be supplying whatever limited dollars that are going to be cycling around in the market-place. I want to raise the concern of what damaging and negative impact this will have on an already painfully hurt small business community. It is the small business community that provides the many services in any community that operate and contribute to our economic stability. I am talking about the small businesses we use everyday: the garages, the grocery stores, the restaurants — those that normally rely on a productive economy, as well as government, to maintain their existence and level of service to the community. I think, too, it must be remembered that this is also the sector that contributes beyond the goods and services and that in the form of taxes and a chain reaction of activity and service throughout the economy.

In a situation where you have those economic initiatives, namely mining, tourism, exploration, no longer taking place; the reliance on government initiative is more important than ever. When government has become the largest single employer in the economy and its employees become those few with any disposable income, it becomes, indeed, a double penalty when you restrict even that small disposable income. I believe that this is so necessary in an economy, severely hurt as it is in our present economic depression.

I think those businesses in the territory, now on the brink of receivership or closure, are hurt further by this insistence to further curtail available incomes in the territory.

» I think, extending from that, we have for the most part an employee group that already has been severely restricted in their available, disposable income that I referred to earlier. They have already been hit with a nine-day fortnight. They have already been faced with taxation of northern benefits. They are already facing a poor settlement in their last contract and now on top of that we impose a "six and five" limitation. Insofar as it will affect the small market-place that we have in our economy I want to say further that in some rural communities, government employees are the only regular pay-roll circulating in those communities. Any level of service from the business community will be dependent on those few pay cheques that are being cycled around. The essential point I believe is that the eroded economy is further eroded by this bill through the wage restriction and that is by reducing disposable income that gets circulated in the communities.

I think, as my colleagues have pointed out, it has a number of other negative impacts. But I think most importantly, and I want to say again, more economic harm is done by this bill than any conceivable benefit the government may hope to gain, and that is something we should not be doing, and especially if the measures cannot either be justified nor can they be supported by any reasonable argument in the presentation.

Hon. Mr. Tracey: I would like to stand up and give my opinions on what some of the members have said from across the floor. The member for Faro just made mention of the employees who were not only hit with a nine-day fortnight, but they were hit with taxation of northern benefits and now "six and five". I would suggest to that member that every member of every business or any person working in this territory has been also hit with the same thing. In fact, they have been hit in a lot of instances with much worse. They have been hit with lay-offs or cuts in wages. It also has been mentioned today by the member for Whitehorse South that the members of the public service did not get an increase this year.

» I am here to tell you that they did get an increase this year, they got a ten percent increase. The nine-day fortnight may have taken that ten percent away, but that was a negotiated position between the public service and the government. It was either a case of everyone lose a little or some lose their jobs. So, it was not a case that they did not get an increase; they got a ten percent increase this year.

It was also mentioned that the national energy program was beneficial to Canadians. He said "Canadian resources should be

developed by Canadians and for Canadians". Well, that is not the position the member has taken across the floor in the last few days about land; Yukon land for Yukoners, by Yukoners. In fact, they have taken exactly the opposite stance. We have brought in a land planning policy that says exactly that, and they have been opposing it.

It has been said that it is unfair legislation. Well, I can say that it is unfair legislation. All legislation is unfair to one group of people or another. It is unfair in that it restricts peoples' rights and freedoms in a great many cases.

I think though it also has to be recognized that somewhere or other the government has to step in. If things are allowed to continue the way they are today, we will not be a country anymore; we will be a little group of different economies that are fighting one another. We have the west fighting the east, and central Canada; we have the east of Canada fighting central Canada; we have the north fighting the south. If we do not start working together in this country we are bound for very sad times indeed in Canada.

While none of us like legislation to control our wages, I think it was a necessary step for the federal government to take, not because it affected one group of people, but because it set a tone for the rest of Canada to guide themselves by. I think it has been effective, regardless of what the members across the floor say; I think it has been effective. It has had the effect of making everybody in Canada start to think about their demands; what they want. It has made them all start to think that perhaps we should all ask for a little less. I think it is also effective for the labour force and affected businesses throughout this country. Every one of them has tried to keep costs down and tried to keep prices down, in order for this country to recover.

» It was also mentioned that, perhaps, public employees are not insulated from the hard economic realities of the country today. I believe they are partially insulated from the harsh economic realities, because they have secure tenure in their jobs. There are very few public employees who ever get laid off; they have had a great amount of job security. I think that, for that job security, they should be prepared to take some reduction in their take-home salary, as all the rest of Canada has been forced to take. I believe it is only right and proper that the people who have the most secure jobs should be the ones most prepared to make some concessions for the benefit of all of Canada.

It has also been mentioned that the right to bargain for money has been taken away. It has not been taken away; there is no part of this legislation that takes the right to bargain away. What it does is set the ceiling on the bargaining. The bargaining could amount to a zero increase or it could amount to a two percent increase.

Also, while we are talking about percentages, the member for Whitehorse West talks about percentages being unfair. "Six and five" is unfair because it gives more to the higher paid employee than it does to the lower paid employee. I have never yet heard the opposition members rise and fight against the principle that a union should be asking for a ten percent increase or a 15 percent increase across the board. I have never yet heard the NDP stand up and raise that position; and I think that they are right, that it is unfair. Yet, when they are bargaining for more money, I have never ever heard it come from the other side of the floor.

Those are some of my thoughts on it. I believe that, regardless of whether it is arbitrary legislation or not, I believe it. We have no option. The members across the floor say that we do have an option, but I would just like to leave the members with the thought that the Minister of Municipal and Community raised: what would be the situation if we were held to "six and five" by the federal government and, for example, the employees of the City of Whitehorse went to arbitration and an arbitration board awarded them a 15, 20 or 25 percent increase — as they did in Alberta, where a 38 percent increase was awarded — when we were held to six percent? We would then have to come up with the money to pay those people the 25 or 30 percent increase because it was awarded by an arbitration board. We would be controlled by the fact that that was legally their right because the arbitration board awarded it to them.

» Members should also take that into consideration when we are

dealing with this legislation.

Mr. Porter: In speaking to the previous speaker's statement with regard to the restraint legislation, I would like to correct some very erroneous statements made with respect to another piece of legislation known as the land use policy. In the statement that he made to this House the minister, I believe, did not adequately represent the position of this side of the House. He stated that we were opposed to land for all Yukoners: that is totally untrue. He made that very clear in the debate so I would just like the record to show that we do not oppose any land to any people in the Yukon...

Mr. Speaker: Order, please. I wonder if we can get this discussion back to Bill No. 17, *Public Sector Restraint*...

Mr. Porter: Mr. Speaker, why do you allow him to make statements about other legislation which he has responsibility for in respect to his statements on this piece of legislation. Why do you now...

Mr. Speaker: Order, please. The Chair notes that we are discussing Bill No. 17, *Public Sector Compensation Restraint (Yukon) Act*. Could we get on to that subject, please.

Mr. McDonald: I do not know where to begin, exactly, as so many arguments have passed back and forth across the floor this afternoon. We have been at it for two hours already. I would like to start, perhaps, with some points that have been raised by members across the floor which, I think, sum up their position adequately and completely. These are points which I would like to briefly relate and then turn to the substance of my own presentation.

The biggest argument that the government has been proposing is that they are expected, and are forced by the federal government, to comply with their "six and five" program. Yet, time and time again, we have suggested on this side of the House that they will not go to bat for working people in the territory when it comes to battling the federal government for basic household expenses: the ability to pay for the everyday expenses that the workers face in the territory today. The government goes to bat on land claims issues but, when it comes down to something basic, like the livelihood of the people of the territory, livelihood of small business in the territory, then they will back down and suggest that, perhaps, the federal government is just too big an opposition to really combat.

Another point that they bring up, perhaps a couple of times, is that this legislation does not affect Workers' Compensation Board payments. It is not really an argument in favour of this legislation and should not be presented in such a manner. It is an argument in the bill. I assume that the bill is a representation of the government's position.

⁴¹ The third argument is simply that this whole business is financially necessary; that government has to restrict wages because of a cash-flow problem. Such a move is devastating for local industry, as the member for Faro has pointed out.

Quite the contrary to various ministers' statements, it is a question of singling out the public sector which has lagged behind other workers. A further argument, and one which is completely incomprehensible to me, is that they have to show leadership and they back this up with absolutely nothing of any substance. Time and time again, when we are talking about wages, the government says that they have to set an example for the rest of society, yet at the same time, over and over again in this House, in my brief tenure, they call on private enterprise and suggest that private enterprise is the only real leader in the economy. The government leader is laying back and suggesting that is right. Yet, at the same time, we recognize that the public service is lagging behind in wages and we also admit — both sides — that the private sector is cutting back voluntarily. So, should the public sector be in fact the leader in this equation, perhaps we can assume that the public sector will do likewise.

There is something that I would really like to get back to in some detail and that is the government's contention that they are not taking away bargaining rights. The minister for Health and Human Resources is suggesting that they are only setting a ceiling on bargaining; that this does not preclude free collective bargaining. I would suggest that any limitations on the collective bargaining process do in fact preclude that basic freedom and do, in fact, preclude free collective bargaining.

I guess two arguments, which I am not going to spend much time on — I think that they are eminently forgettable and convoluted arguments — regard the national energy program and FIRA, which are really apropos of nothing in this argument. Essentially, in speaking to this bill, which I admit has taken me somewhat by surprise, let me first say briefly what I think is good and what I think is bad about it.

There are two major aspects of the bill which, I think, are laudable and worthy of praise. So often, legislation of this type suffers from obfuscation in that it tends to be long and rampant with incomprehensible legalese. This legislation is not only comprehensible, but is short and to the point. Quite simply, it rams working people and it rams small businesses in the territory. That is about as much as I can say about what is good about the bill. ⁴² This *Public Sector Compensation Restraint (Yukon) Act* epitomizes and supports some things and completely destroys other things. It epitomizes scapegoating, inequity and bad economics, and it destroys a freedom in our society; that of free collective bargaining. Coming from a government that has a penchant for damaging sacred cows in our society like parliamentary democracy — as they seem to prefer to govern by regulation — it is perhaps not too surprising.

Before I elaborate on these points, let me just restate one of the things that has been mentioned on this side of the House. I think that we must start to question the government's capacity to plan for the future not only over the long term, but also for the short term, and only three weeks ago, as was stated by the leader of the opposition, the government leader says that he sincerely hopes that he is never put in the position where he has to, "never mind support, but also be, the author of such legislation. He has no interest in limiting collective bargaining rights in any way, shape or form".

I think the lesson to be learned is either that we should be asking these questions every sitting day, as the official position seems to change so quickly, or we should not believe the government when we hear those statements, or we should not believe in the government and their ability to anticipate or to plan ahead. In a time of general instability, the government appears to be the most unstable sector of all.

I would just like to restate a couple of arguments; the economic argument above all. It seems to me that this would be the most appealing to the government members still in the House. This legislation will deepen the current depression. Yukon businesses are delicately balanced on the verge of collapse. They have made all the cost-cutting measures that they can; they are pared to the bone, they have economized as much as they possibly can, they are as efficient as they can possibly be, and the only stable employer to maintain that balance left in the territory is the government.

The effect of this bill will be, obviously, to affect the purchasing power of government employees. I think the effect, also, will be that we will have to stand back and watch this very delicate house of cards collapse. It will take years and years to rebuild this infrastructure.

I think the second argument with respect to the economic lack of strength to this bill is the aspect of scapegoating. I think scapegoating is one of the most dangerous procedures that governments have in this country taken to date.

⁴³ Now, I admit that not only is there a moral dilemma of not attacking the real causes of inflation, but of attacking the victims of inflation, which, obviously, has to be difficult for any person of character to support, but, also, it obscures the root causes — interest rates, among others — and prevents an informed and coherent action plan.

I think it has to be restated over and over again, judging by the responses we have heard from various ministers, that inflation in Yukon is not our problem now. It is not the primary problem, it is not the premier problem. Unemployment and the inability to pay our way in the country is our real problem.

If controls are to be seen as having any effect on the economy, they must be an example to workers in the private industry; however, private industry has traditionally been the trend-setter and not the trend-follower. Industrial wages are usually set by market

factors affecting individual companies or groups of companies that are in some way linked. The experience of free collective bargaining is such that, in both concept and practice, public sector settlements tie in closely with employers' financial capacity. Never is the employer overloaded. If the people are given a real accurate accounting of the territorial financial situation, they will react reasonably.

This, I think, brings us to the argument, again, of inequity, the argument that states the inequity which is shown in this bill. I think, just to begin, that within the public sector, or within any group of working people, we have to recognize that percentage increases do not affect all workers equally. Those at the top end of the scale are affected less so than those at the bottom of the scale. I think that goes without saying.

For example, a person who is earning \$42,000 per year with a six percent increase would get approximately \$2,500. A person who is earning \$24,000 would get approximately \$1,400. This means that the person who is earning \$18,000 more a year gets an additional \$1,000 more than the person who is receiving \$24,000 a year. Yet, obviously, the person earning the lesser wage is in greater need.

Yet, we see in this bill that merit increases are allowable, but they are not made available to the majority of people who are at the lower end of the wage scale; those in the union, non-managerial, confidential employees.

Again, in the past few years, public sector wages have lagged behind private industry wages and — just to make a point about the comment of the Minister of Health and Human Resources — which was really apropos of nothing that I can discern — the union has been, over the past, asking for dollar increases per hour and the government has refused to bargain that way.

« When it comes to going to bat for the employees, what do we find? Last July, the government leader was quoted as saying that the federal government realizes the extra costs of living in Yukon. The government had recognized, according to ERPU figures, that the cost of living is 21.6 percent higher in Whitehorse than in Edmonton. The cost of food in Whitehorse is 30 percent higher than in southern cities, yet the government leader has refused to go to bat for his working people.

It has been said that free collective bargaining should be free of the artifice and arbitrariness of wage and price controls; otherwise the result is that we chip away at those freedoms which distinguish the democratic society from the totalitarian state. The government's union has been bargaining with YTG for some 15 years and there has never been a work stoppage. During the last set of negotiations, the union accepted a ten percent wage increase, far below the 15 percent recommended by the conciliation board, and ended up with a nine-day fortnight to receive no pay increase at all. The Lord giveth and the Lord taketh away.

What this essentially means is that the government has taken from the working people the responsibility of determining for themselves, with a full set of facts, what is the responsible course of action; they have not been shown the respect to be capable of making their own decisions. This legislation, in effect, is insulting, and especially insulting, I would suggest, coming from a government which has engaged in serious breaches of fair bargaining practices. The government leader suggested that, when an offer is turned down at the bargaining table, that it must be considered no longer in effect and it can be withdrawn. I think that is entirely incorrect and it shows a basic misunderstanding of free collective bargaining. In way of explanation, bargaining itself is a nebulous process. The positions taken are nebulous, indeed, and stability is the name of the game. You introduce an offer, you must carry through; that is your bottom line to that point. Introductions of new proposals, withdrawals of offers, by either side, represent bad bargaining.

By way of summing up, I would like to say, once again, that inflation in the territory is not the problem. Unemployment and the basic survival of the territory is the problem to be addressed.

« The government is clearly not prepared to go up to bat for working people. While the bill reflects that perhaps price increases cannot reasonably be controlled, the price increases for the householder such as increased costs of fuel, household utilities,

food, rent, mortgage interest, transportation, medical care, clothing, school tuition or other commodities and services used for the maintenance and well-being of the household are being ignored. People in the territory, people working for this government, will be going into a "six and five" world with one year already under their belt and with absolutely no increase.

We do not like supporting this bill, as the government has stated that they do not like supporting this bill, but the difference between this party on this side of the House and the party on that side of the House is that we stand behind our position and we will not support the bill.

Mr. Speaker: The hon. government leader now speaking will close debate.

Hon. Mr. Pearson: Those on that side of the House are not going to have to pay the piper for the tune they have been calling this afternoon. I guess that really is the bottom line — that those on that side do not have to pay at all. They keep telling me that inflation is not a problem in this territory. I would respectfully suggest that they go shopping with their wives or girlfriends or whatever; just go down to the supermarket or go to the grocery store and then come back and tell me that inflation is not a problem in this territory. They are blind.

The leader of the opposition said that he thought this legislation was unfair, unnecessary and popular. I guess he used the word "unfair" because I believe I used it first. In my perception, this is unfair legislation. However, as unfair as it may be, it is absolutely necessary. If we do not have this legislation in place then all of the taxpayers in this territory are in jeopardy; particularly the employees of this government are in jeopardy. I do not know how the members of the opposition perceive that we pay our employees, but we have a requirement every two weeks to meet a pay-roll. We have to have cash in the bank — money, real green stuff, this stuff that causes inflation we have to have in the bank every other week to meet a pay-roll. If we cannot meet that pay-roll, we are required to lay those people off. That is not a threat; that is a statement of fact. If we are going to have them at work, we must be able to pay them.

« The leader of the opposition asked why now? Well, I thought I had made it clear in my presentation on second reading that the municipalities have a year that begins on January 1st, and this legislation is going to affect those municipalities on January 1st. It would be grossly unfair, I would think, to submit this legislation in the spring and then to tell the municipalities and the employees that it is retroactive. So, why now? It is very obvious; because we absolutely have to do it now.

I wanted to make the point, because the leader of the opposition said that what we needed in this territory was legislation and programs that were going to make more work, that this is going to make more work. If we did not have this legislation, we would be faced with lay-offs. I do not think that there is any doubt about it. I do not think that there is any doubt in the minds of anybody in this House that if this legislation was not there, there would be awards, there would be negotiable settlements much greater than those that we are going to be able to afford to pay for this year, or next year.

The federal government has made it very clear to us that they are not making us pass the "six and five" legislation, but, when they say that, they also know that there is no way that we can avoid doing that, just like no province in Canada can avoid doing it. I would like to know how the members of the opposition think they can stand side by side with us and talk the federal government into something different than what their stated policy is and what they have said is what they are going to do in all of Canada. It is very clear.

The time for them to have been standing side by side and shoulder to shoulder with this government was a couple of years ago. They chose their course and now we all have to live with it. It was not us on this side that invented "six and five", not by any stretch of the imagination. I respectfully submit that it would not have been necessary had history proven itself a little differently a couple of years ago, and maybe had the opposition taken a different stand then.

We are not doing this, as the leader of the opposition suggested,

"to be seen to be doing something about inflation". A ludicrous statement. I have to point it out because really, the leader of the opposition does not make very many ludicrous statements. But that is one. He knows, as well as I know and as every member in this legislature knows, that this is necessary and it was expected. I know that the public service alliance, in the personage of their new president, expected us to do this. I saw that he expected us to do this.

⁴⁷ I will deal with the 17th of November when it comes around.

There is no question that this is necessary, that it was expected and, if we could have worked out a way of avoiding doing it, we would have done so; yet, that was not possible. I enjoyed very much hearing the history of the Public Service Alliance of Canada and their association with the Government of the Yukon Territory. I happened to be involved, at the time, with this government and know exactly how it all happened. It is true; there have been some 15 years of very, very good working relationships, but there are others involved. It may have been possible if all we were dealing with was one group of employees and one bargaining unit.

That is not what we are dealing with. In fact, we are dealing with bargaining units that we, as a government, do not bargain with; we will not even be at the table, yet we will be expected to pay the bill in the final analysis.

I realize that the member for Mayo has a problem understanding that kind of thing, but some day he may understand government financing and how we finance municipalities and LIDs. Once he grasps that, then he will know what our concern has to be in this case.

The question was raised by the leader of the opposition as to whether or not the six percent this year and five percent next year were maximums and that everybody would be expected to go to it right now, or whether this was a limit. That is what it is: a limit. The legislation is clear in that we expect that there will be negotiations and that no one municipality is told that they must pay six percent. They can and have the right and, in fact, have the responsibility, to negotiate with their collective bargaining units as to what the compensation will be, up to a maximum of six percent.

I respectfully submit to you that this is not bad government, as the leader of the opposition said. It is responsible government, acting responsibly, making sure that we can govern, making sure that we have the wherewithal to govern. We are simply doing what we absolutely have to do. We are not doing it because those big, bad feds told us we had to do it; we are doing it because we have to do it.

⁴⁸ We have ascertained that we must do this for the benefit of all of the people of this territory, not for the benefit of one group, or not to hurt one group, but for the benefit of all of the people of the territory, including those people who work for this government and all of the other governments in the territory. I come back to that point; if we do not have the money to pay them, they are not going to be at work. That is a criteria that is in place and must govern, that is all there is to it.

I must say that I was quite disappointed with the response to the second reading of this bill from the member for Whitehorse South Centre. I have learned, over time, to respect what he has to say in most cases. I listened very carefully to what he has to say because I, sometimes, do learn things and his perception of things is quite interesting to me. We are discussing a piece of legislation here today and I was very disappointed that he did not address the legislation at all. He did not address the legislation in any way, shape or form. He started out by saying that he was going to tell us some facts and all he did was say, over again, three or four things that his leader had said and then went off into the wild blue yonder and, frankly, I have no way of replying with any kind of substance to what he had to say. He was talking about things that, I respectfully submit, are not before this House today.

In respect to the hon. member for Mayo, he said that this took him by surprise. I am not too surprised at that, really. The member for Mayo is easy to take by surprise, there is no doubt about it. If he wants to talk to me someday about long-term planning, I would be happy to sit down and talk to him. If he had talked to me a couple of years ago, I would have told him what would have

happened if he had a nine-month strike at Elsa. I could have told him that that place would close up because they could not afford it, but he had it planned. Now, he can live with that planning.

I do not intend to listen to his kind of planning and have to live, two years from now, with that kind of a result. It is the very reason that that legislation is here today. We want to be in business two years from now. We are concerned, and it is necessary that this legislation pass. I received the message, loud and clear, that there is going to be division on this bill. I regret that because I honestly think that, if the members of the opposition really looked at it in an objective manner rather than in a political manner, they would see the validity and the true necessity for this legislation.

⁴⁹ **Mr. Speaker:** Are you prepared for the question?

Some Members: Division.

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

Hon. Mr. Pearson: Agreed.

Hon. Mr. Lang: Agreed.

Hon. Mrs. Firth: Agreed.

Hon. Mr. Ashley: Agreed.

Hon. Mr. Tracey: Agreed.

Mr. Falle: Agreed.

Ms Nukon: Agreed.

Mr. Philipson: Agreed.

Mr. Penikett: Disagree.

Mr. Byblow: Disagree.

Mr. Kimmerly: Disagree.

Mr. Porter: Disagree.

Mrs. Joe: Disagree.

Mr. McDonald: Disagree.

Mr. Clerk: Mr. Speaker, the results are eight yays; six nays.

Mr. Speaker: I must declare that the yays have it and that the motion has carried.

Motion agreed to

Bill Number 20: Second Reading

Mr. Clerk: Second reading, Bill Number 20, standing in the name of the hon. Mr. Ashley.

Hon. Mr. Ashley: I move, seconded by the hon. Minister of Education, that Bill Number 20, *An Act to Amend the Companies Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Justice, seconded by the hon. Minister of Education, that Bill Number 20 be now read a second time.

Hon. Mr. Ashley: These amendments will allow Yukon incorporated companies to purchase their own common shares. At present, there are no Canadian provinces west of Ontario within which such purchases are prohibited and, as such, these amendments will bring the Yukon company law into line with that of the rest of Canada. They will put an end to the common law prohibition which is now resulting in a clearly undesirable situation. Yukon corporations are leaving our jurisdiction and continuing in such provinces as B.C. and Alberta prior to entering into reorganizations involving the purchase of their own shares, designed to transfer ownership of the company between shareholders, from father to son and in arm's-length sales, to name a few examples.

Do not be deceived by the length of the bill: it has one purpose only, and that is to allow a company to purchase its own common shares; this is dealt with in the first section. The great bulk of the sections which follow deal with protecting shareholder and creditor rights in the event that a share purchase does take place. Protecting these third parties is important and warrants the bill being substantially longer than it might otherwise be.

Mr. Kimmerly: This is an uncontroversial bill, not like the last one. It brings into play a law in Yukon which, in fact, exists in many other provinces. It is the position of our party that it is an improvement and a benefit and we support the bill.

⁵⁰ *Motion Agreed to*

Bill Number 19: Second Reading

Hon. Mr. Pearson: I wonder if I could ask for the unanimous consent of the House to give second reading to Bill Number 19, the

capital budget.

Mr. Speaker: The hon. member has asked leave to give second reading at this time to Bill Number 19. Does the hon. member have unanimous consent?

Some Members: Agreed.

Mr. Speaker: Proceed.

Hon. Mr. Pearson: I move, seconded by the hon. Minister of Municipal and Community Affairs, that Bill Number 19, the *First Appropriation Act, 1983-84*, be now read a second time.

Mr. Speaker: It has moved by the hon. government leader, seconded by the hon. Minister of Municipal and Community Affairs, that Bill Number 19 be now read a second time.

Hon. Mr. Pearson: It gives me great pleasure to introduce the capital budget for the fiscal year 1983-84. As in the past, we are introducing our capital spending plans for the next year at the fall session of the legislature preceding the fiscal year to which the plan will apply so that the necessary preparatory work can be done during the winter months.

There are several aspects of this budget which I would like to highlight because of our special financial and economic circumstances. As you know, the capital budget of the Yukon government has been a significant factor in providing employment and as a stimulus for the economy.

In preparing this budget, particular attention has been directed to maximizing employment opportunities wherever possible. It is estimated that the total expenditure program will generate approximately 268 person-years of direct employment in Yukon. Taking the multiplier effect into account, I anticipate that this will create at least 469 jobs over the course of the coming fiscal year.

Before dealing with the individual components of the proposed expenditure plan, I would like to draw to the attention of the hon. members that we have prepared this budget so that the government will have a surplus of approximately \$2,724,000. This has been done deliberately in order to provide us with some capacity to respond to changing circumstances.

We are currently approaching the last quarter of what has probably been the most difficult financial year the Government of Yukon has had for many years. Our ability to respond to the changing economic circumstances and to the initiatives of the federal government has been severely constrained by our limited resources. My colleagues and I are determined, therefore, that we should maintain some flexibility, not only to finance supplementary estimates which occur normally over the course of the fiscal year, but also to take whatever special action that may be necessary should the circumstances warrant.

It is my intention to review this situation again when the operation and maintenance estimates are introduced in the House next spring. I would like now to turn to some of the principle components of the capital budget.

In the area of Education, we have virtually completed the major school construction cycle, other than to complete the grounds and parking area of the Porter Creek Junior High School and the new Pelly Crossing school.

⁵¹ We are however requesting legislative authority to proceed with a number of important school projects, some of which we have not been able to go ahead with because of the shortage of cash. The largest of these is the two-year expansion and renovation program for Christ the King high school. Money is also being requested for a beginning on the work required to expand the Carcross school and to provide a new heating system for the Whitehorse elementary school. Several smaller but nonetheless important items are flooring for the gymnasium of the Watson Lake high school, a new roof for the Grey Mountain primary school, renovations to the Yukon Vocational and Technical Training Centre, expansion of the shop and shower facilities for the J.V. Clarke school at Mayo, windows and skylights for the G.A. Jeckell school, a mobile training unit for the Yukon Vocational and Technical Training Centre and some work at the F.H. Collins school, in which the most important component is a new fire alarm system. It should also be noted that we are requesting a substantial increase in the miscellaneous equipment item in a concerted effort to upgrade school facilities throughout Yukon.

Provision is also being made in this budget for a weigh scale at the Stewart highway junction which has been an outstanding requirement for some time. We also propose to make some renovations to Macaulay Lodge to implement a number of safety features which have been recommended to us.

In the area of Municipal and Community Affairs, funds are being requested for completion of the Porter Creek alternate access road, swimming pools at Haines Junction and Pelly Crossing, service draining, sewer repairs and improvements at Dawson city, completion of the administration building at Mayo and the beginning of construction of sewage lagoons at Watson Lake and Haines Junction. Honourable members will recall that both of these projects were in the current year's budget but were deferred for financial reasons.

In the Economic Development and Intergovernmental Relations budget, provision has been made for a continuation of the conservation, renewable energy demonstration agreement and the energy conservation incentive agreement, and the completion of the special ARDA agreement. A line item has been included for the proposed new economic development agreement to obtain authority in principle to commence negotiations with the federal government in that regard. Perhaps one of the most significant items in this department's budget is provision for approval in principle for the participation of the Government of Yukon in a joint hydro-electric project on McIntyre Creek in collaboration with Yukon Hydro. This proposal is already familiar to hon. members and should receive the whole-hearted endorsement of both sides of the House.

In Tourism, Heritage and Cultural Resources, provision has been made to complete the Canada-Yukon tourism subagreement and to continue the Whitehorse business improvements program. Campground expansion and rehabilitation will be undertaken by Renewable Resources on a fairly extensive scale, most particularly at Carcross, Million Dollar Falls, Pine Creek, North Klondike and Tatchun-Frenchman Lake Park.

I mention the foregoing items specifically because they are new or significant, because of their size. In doing so I do not wish to minimize the importance of other ongoing projects, such as road reconstruction, financial support for municipal fire services, roads, streets and sidewalks and a number of other items which we tend to take for granted, but are of vital importance for the economic and social benefit of Yukon.

⁵² I commend to the budget to the favourable consideration of the House and I and my colleagues will be pleased to answer any questions that hon. members may have.

Mr. Penikett: As my party's finance critic, I would rise to support the bill before us. We, too, noticed in the few minutes that we have had with the document that it is a much more modest capital budget than the one that we debate this time last year. However, having said that, there are many worthy projects in the budget that we will be pleased to support and I feel bound to note, since the government leader called attention to it, that the Yukon Hydro project, which he solicited our support for, we note that there is \$1,000 allocated in the budget for that project, and I want to say that we support that \$1,000 expenditure. Any more than that and we may want have further discussion on it.

Motion agreed to

Bill No. 16: Third Reading

Mr. Clerk: Third reading, Bill No. 16, standing in the name of the hon. Mr. Lang.

Hon. Mr. Lang: I move, seconded by the hon. member for Klauane, that Bill No. 16, *An Act to Amend the Municipal Finance Act*, be now read a third time.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs, seconded by the hon. member for Klauane, that Bill No. 16 be now read a third time.

Motion agreed to

Hon. Mr. Lang: I move, seconded by the hon. member for Klauane, that Bill No. 16 do now pass and the title be as on the order paper.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs, seconded by the hon. member

for Kluane, that Bill No. 16 do now pass and the title be as the order paper.

Motion agreed to

Mr. Speaker: I will declare the motion as carried and that Bill No. 16 has passed this House.

Mr. Speaker: May I have your further pleasure?

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

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

Motion agreed to

COMMITTEE OF THE WHOLE

Mr. Chairman: I will now call Committee of the Whole to order. We shall recess.

Recess

⁵³ **Mr. Chairman:** I will now call Committee of the Whole to order.

We will continue with Mr. McDonald's amendment to clause 11(1) of an *Act to Amend the Workers' Compensation Act*.

Mr. McDonald: Just by way of refreshing people's memories on this, I will quickly go over the arguments.

The reason for this amendment is twofold. Briefly, as I said yesterday, the claimants often have difficulty in pleading their own case, they lack literacy, often, in English, and legalese and, in some cases, they are not available to plead their own case. Quite often the claimant will assign the case to a representative, which does give the representative the right to sit in on the review process; however, often, when written communications are exchanged between the board and the claimant, it often causes significant delays and, by the time the representative is in a position to reply, it often entices the claimant to attempt to interpret technical matters on his own, which lead to even greater problems.

The second aspect of the amendment, quite simply, is the right to totally review a case. I believe it is obviously a fundamental right and the purpose is to determine whether or not the summary mentioned in the act is, in fact, a complete representative and relevant summary of the articles on file.

Hon. Mr. Pearson: I would like to reiterate, too, just to refresh the hon. member's memory of why I must be opposed to this particular amendment.

It is a dangerous precedent to write into legislation that a representative, rather than the workman, should be contacted by the board.

⁵⁴ I respectfully submit that it is the responsibility of the board to directly contact the workman directly, no one else. The board should be dealing with the workman. If there is a problem of any kind in communications, representatives are used on a constant basis and they are enshrined in the legislation with respect to hearings. Representatives can be used pursuant to the legislation with respect to hearings.

I recognize the concern that the member has, but he must realize that his proposed amendment would be a disservice to all workers in the territory. The onus is on the board to contact the worker and I believe they should continue to do that.

Mr. Kimmerly: I was interested in the government leader's response to the question about a representative and, although I do not agree with it, I am not going to speak about it further. I am interested in the response to part (a) and (b) of the motion. What is the government's position with regard to a statement of reasons given by the board and what is the government's position with regard to access to the records of the individual case?

Hon. Mr. Pearson: I thought we were clear on that the last time we met. Their records are accessible to the worker and to his representative, if the worker so wishes. There is no need for us to

put it in legislation. It is a fact. There is legislation far senior to this that has made it clear that these records are available. This government, as a matter of policy, has recognized that for some time. There is just no need for it to be in the legislation.

Hon. Mr. Tracey: Many other jurisdictions have set up this review committee. By setting up this committee, it is still the person who has been affected by workers' compensation, it still leaves the three levels of appeal open to the person after it has gone through this review committee system. If there was no review committee, that would be the first level of appeal.

Amendment defeated

⁵⁵ *Amendment proposed*

Mr. McDonald: In regard to 15.2(3), I have at this time, and I think everybody has, a copy of the amendment that we would like to propose. I will begin by reading it out for the record: Adding the following subsection to 15.2, "No tribunal or a member of a tribunal shall sit in appeal on decisions in which the member of the tribunal has been previously involved".

This is an insurance provision to prevent expediency that the board might feel enticed to pursue. It is a point, obviously, in the three-stage process to provide just a sort of insurance; however, this ensures that no member of a tribunal shall sit in appeal on its own decision.

Hon. Mr. Ashley: I will deal with the three internal separate bodies and the appeal system that is used. The first body is a claims officer and a medical person. They have a second body which will be to a review committee made up from management from the Workers' Compensation Board, such as the Director of Claims, the Director of Assessments and the Director of Finance and then if agreed by a decision of a medical nature by the review committee, the worker may request a further review for an examination.

The board, after consultation with a worker and attending medical practitioner, nominates a duly qualified specialist who will examine the worker and clarify the degree and extent of his disability. The board will then advise the worker of the findings.

The third appeal body is to the members of the Workers' Compensation Board who shall consider the records of the claims officer and the review committee and give the worker and his employer an opportunity to be heard and present new or additional evidence.

⁵⁶ **Mr. Kimmerly:** The minister read out a description of the three-stage process. We understand that very well. That is not the major question. The principle involved in the amendment or the question is that in order for an appeal to be a valid appeal procedure, the board to which the decision is being appealed should not be the same board that made the decision, or any members of the board should not be previously involved in the decision-making process. The three-stage procedure is an improvement on the present procedure and we agree fundamentally with the concept of the stages. I think it is important to say that.

The principle of the amendment is about the independence of the appeal procedure from the previous decision-making persons or procedure. Under the three-stage process, the first and second stages are carried out under the supervision of the board. And there is only one board. The board by the nature of the process will be aware of the previous decisions of the previous two stages, and in fact will supervise and direct it.

Given that procedure, there is a problem about the principles of natural justice in that if it is a true appeal procedure the appeal body has to be independent of the previous decisions, otherwise the appeal body is being asked to affirm its own decision or change its own decision. The overwhelming tendency of such a board is to affirm its own decision. The purpose of the amendment or the principle is to ensure that at each stage, the new stage is independent of the last one.

Hon. Mr. Tracey: I am a little surprised by the members across the floor. The original concept of workers' compensation was that there would not be a court procedure. It would go to a workers' compensation board, they would make a decision and it would be final. We have now changed to three levels of appeal and what they are proposing by this amendment is that the Workers' Compensa-

tion Board has to sit off in obscurity and not have anything to do with any of the proceedings up until the time the appeal process hits the board. Well, that is patently ridiculous; that is what their job is — to make the decisions. At the first level of appeal, the recommendations come from one group of people and they relay the decision to the board.

57 The second level of appeal comes from a different group of people, who have not only looked at the first appeal committee's decisions, but whatever new information is available. A final level is the board itself, taking into consideration all of the information that they did not hear previously. The board has made a decision, up until that time, on the recommendation of these committees; they have not listened to all the evidence.

I cannot understand the reasoning for what the members are proposing. They are proposing that the board sit away off there and not have anything to do with it until the final level of appeal and that is absolutely ridiculous.

Mr. Kimmerly: I believe the minister finally understands what we are trying to say and he is right when he says that.

The desire, on this side, is that the Workers' Compensation Board be a judicial or a quasi-judicial body, and it is entirely appropriate that the Workers' Compensation scheme is taken out of the traditional court system. However, it is extremely important that the good things in the court system be kept and that the bad things be gotten rid of. The bad things are the extreme costs to the applicant and the extreme delays and the technical nature of the rules of evidence and those kinds of things.

The independence of the board and the ability of the board to deal absolutely fairly is absolutely crucial and that ought to be kept. Indeed, it is the case that we are advocating that the appeal body, or the board that sits in appeal — and it is clearly called an appeal — is, in fact, independent of the previous stages. That is our clear position, and there is obviously a fundamental disagreement about it, but our position is exactly that and it appears that the government position is contrary to that.

Mr. McDonald: The position, as outlined by the minister, is somewhat new to me. It seems to be somewhat different from that position which was stated by the government leader and by the minister responsible for the Workers' Compensation Board.

58 It varies to a certain extent with the legislation itself. The legislation reads that "the claims officer shall determine, in the first instance, on behalf of the board"; they shall be the ones to determine the claim in the first instance. On the next page, it says that the "review committee shall confirm or reverse any decision made in respect to the claim on behalf of the board". I am given to understand, from statements by the government leader and the minister, and if that is what they are claiming, there is no need for the subsection. It is not the case, as the Minister for Health and Human Resources suggests, that the board must have its fingers in all stages of the claim review.

What we are saying, in this instance, is, quite simply, that this article will prevent any expediency; that no board member, out of convenience, shall sit in the review committee — because obviously the ruling committee is named by the board — and it is merely insurance to restate the intention which was verbally stated by the government leader and the minister that no tribunal, or members of tribunals, will sit in appeal of its own decisions.

Amendment defeated

Clause 11 agreed to

On Clause 12

Clause 12 agreed to

On Clause 13

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

On Clause 15

Mr. McDonald: I have one question that affects all three of these items. Could the minister explain how they come up with these figures? Is there an averaging provision in similar compensation legislation across the country or do they take exclusively the Yukon experience?

Hon. Mr. Ashley: They use the annual consumer price index

for establishing that. I also answered that in our second reading speech debate. They are going to that new system rather than the old one.

59 **Mr. McDonald:** For the minister's information, I was speaking about things like funeral costs; not the method of payment, not whether or not we are moving to any new system of compensation payment. I am looking for these dollar figures for certain things like funeral expenses, et cetera, and I am wondering how the board comes up with that kind of figure, how the minister comes up with that kind of figure and whether or not these figures, which are, across the country, determined separately from general compensation payments, are averaged across the country, which the minister has taken into account to determine these amounts, or whether or not they take into account Yukon experience alone?

Hon. Mr. Tracey: These figures here do not deal with general expenses; they are widow payments and payments for children, for their dependents. These levels are set from statistical data used across the country, with the Yukon situation taken into account. This section does not deal with funeral benefits for a deceased worker.

Mr. Kimmerly: I never thought I would say this, but it appears to me that the actual dollar figures are probably the proper subject for regulation. It can be easily changed in regulation and the policy ought to be simply stated in the bill that these allowances may be paid at levels from time to time set by regulation. Why was that procedure not followed in this particular case?

Hon. Mr. Ashley: These prices follow the Consumer Price Index, so that is just the base rate that is set as the legislation sets it, but then it goes from that state on, on a yearly averaging.

60 *Clause 15 agreed to*

On Clause 16

Clause 16 agreed to

Hon. Mr. Ashley: I move that you report progress.

Motion agreed to

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

Motion agreed to

Mr. Speaker resumes the Chair

Mr. Speaker: I will now call the House to order. May we have a report from the Chairman of Committees?

Mr. Philippen: The Committee of the Whole has considered Bill No. 9, *An Act to Amend the Workers' Compensation Act*, and directed me to report progress on same.

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?

Mr. Penikett: I move, seconded by the Minister of Education, that we do now adjourn.

Mr. Speaker: It has been moved the hon. leader of the opposition, seconded by the hon. Minister of Education, that we do now adjourn.

Motion agreed to

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

The House adjourned at 5:29 p.m.

61 **The following Sessional Papers were tabled December 7, 1982:**

82-2-16

Yukon Liquor Corporation Annual Report for the year ended March 31, 1982 (Lang)

82-2-17

Protective Services Annual Report for 1981 (Lang)

The following Legislative Returns were tabled December 7, 1982:

82-2-9

Highways and related matters (Lang) W.Q. No. 14

82-2-10

Placer Industry Regulations (Tracey) W.Q. No. 3

