



# The Yukon Legislative Assembly

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Number 19

3rd Session

25th Legislature

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## HANSARD

Wednesday, April 27, 1983 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

# Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Andy Phillipsen, 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, and 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 and Tourism/Heritage and Cultural Resources

## GOVERNMENT MEMBERS

### (Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
Kathie Nukon	Old Crow
Andy Phillipsen	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
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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

at Whitehorse, Yukon  
April 27, 1983 — 1:30 p.m.

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

*Prayers*

## DAILY ROUTINE

**Mr. Speaker:** Are there any documents or returns for tabling?  
Are there any reports of committees?

## PRESENTING REPORTS OF COMMITTEES

**Mr. Brewster:** I would like to table the Second Report of the Standing Committee on Statutory Instruments.

**Mr. Speaker:** Are there any further reports for tabling?  
Petitions?  
Introduction of bills?  
Notices of motion for the production of papers?  
Are there any notices of motion?  
Are there any statements by ministers?  
Are there any questions?

## QUESTION PERIOD

### Question re: Yukon Economic Review

**Mr. Penikett:** I have a question for the government leader. The Yukon economic review for the last quarter of 1982, which we received yesterday, shows a sharp increase in unemployment from the previous quarter from 9.8 percent to 17.6 percent. If the unemployed figures for Faro mine workers are added, the figure is over 22 percent unemployed. Since we have also lost nine percent of the work force in the year, does the government leader agree that the effective unemployment rate in Yukon is much closer now to the 30 percent quoted by Yukon MP Erik Nielsen in his statement on budget night, than the figures published in the ERPU report?

**Hon. Mr. Pearson:** It is very likely that it is possible. We do not know exactly what the percentage is. The ERPU report, of course, is referring to a period some time ago. I believe that it is worse now than it was then; I do not think there is any doubt about it. Our unemployment has gone up since that point in time. Whether it is at 30 percent or not, I could not say for sure. I would suggest that it is getting close.

**Mr. Penikett:** Apparently, Statistics Canada has given up on producing a Yukon labour force survey, due to the unreliability of their Yukon population figures. Has the government leader been investigating this situation to determine if this government's financial and economic planning is adversely affected in any way by unreliable population data?

**Hon. Mr. Pearson:** I do not know that it is being affected unduly. It is a problem, but it is one that we are aware of and one that we should be able to cope with.

**Mr. Penikett:** The Canada Employment Centre reports that the number of unemployment insurance claims is now dropping because claims are being exhausted faster than new applicants are coming in. Since several hundred claims will be exhausted in the near future, what financial plans does this government have to deal with the inevitable rapid swelling of the social assistance rolls?

**Hon. Mr. Pearson:** I am sure that the leader of the opposition is well aware of the fact that the federal government has in place a plan called NEED for exhautees of UIC benefits. We have said time, after time, after time, in every speech that we possibly could make that we, as a government, are prepared to enter into NEED programs with the federal government, in respect to their UIC exhautees, as these programs are brought forward. We have a surplus in our budget; it is there deliberately to do that thing.

### Question re: Special Recovery Capital Projects Program

**Mr. Byblow:** My question is also to the government leader.

I previously raised with the government leader the prospect of soliciting funding under the Special Recovery Capital Projects Program, recently announced in the federal budget, that is, for the purposes of reactivating projects like the Faro Access Road and the Faro airport. Is the government investigating funding for these projects under that program?

**The Hon. Mr. Pearson:** We have not been able to ascertain from the Government of Canada whether or not there are any projects in Yukon represented in that budget. We do not know. Certainly, it has always been our hope. We anticipated that if any one project would in fact be advanced under the scheme in the federal budget it would have been the Whitehorse airport. We cannot get confirmation that the Whitehorse airport is involved yet.

**Mr. Byblow:** Very specifically, in addition to the Whitehorse airport, will this government solicit funding under that program for the two projects that I identified in my first question?

**Mr. Speaker:** Is this a representation or could the hon. member phrase it as a question?

**Mr. Byblow:** It was a direct question. Is this government considering the solicitation of funding for the Faro access road and Faro airport projects under the Special Capital Recovery Projects Program of the federal budget?

**Hon. Mr. Pearson:** I thought that we had made it clear that the federal government have said that they have got the 100 projects, regionally, already allocated that they are going to spend money on, and they are going around to each region and telling each region what these projects are. They are not out looking for these projects; they have them determined now. At least that is our understanding. We are anxiously awaiting them telling us exactly how much money is going to be allocated to Yukon.

**Mr. Byblow:** I will direct my supplementary to the Minister of Highways who is no doubt aware of the current attempt by the Faro Chamber of Commerce to solicit funding on these two projects. Has the minister made a decision to cooperate with the Faro Chamber of Commerce on efforts to obtain funding for these two projects by providing it the necessary information and detail that it has requested?

**Mr. Lang:** I have had no direct contact with the Chamber of Commerce as of yet. I will take it upon myself to call the president of the Chamber of Commerce to find out specifically what information they would have. I would say this: the member opposite is giving the impression to this House that he is representing the only riding that has unemployment as a major problem within the community. I submit, Mr. Speaker, that your riding, as well as anyone else's riding in this territory, has been affected. We have a responsibility, with whatever dollars we have, to spread them throughout the territory as best we can. I think the member opposite should take that point of view; that not all monies should be concentrated in one riding. I think it would be irresponsible.

### Question re: *The Children's Act*

**Mr. Porter:** My question is directed to the Minister of Human Resources. On the CBC this afternoon, the Assistant Deputy Minister of Justice stated that the minister was seriously considering amendments to *The Children's Act*. Can the minister confirm this as fact, and are his officials now preparing amendments to the legislation?

**Hon. Mr. Tracey:** I have said publicly that I am looking for statements from the public of where they have problems with the act, and we will consider amendments. As far as what the amendments will be or whether there will be an amendment or amendments, I think we should wait until we are dealing with the act in debate in the House. I suspect that there will be at least one or two, and perhaps more, but as for what those amendments deal with, we will wait for the debate in the House.

**Mr. Porter:** Earlier today, the Council for Yukon Indians issued a press release calling for the government to discontinue debate on the proposed *Children's Act* until it has been re-written. Is the minister now prepared to respond to the CYI's position and, if so, what is his response?

**Hon. Mr. Tracey:** My response is: we have not started debate on it yet.

**Mr. Porter:** Considering the fact that Indian children make up 70 percent of all child care cases, will the minister be meeting with the CYI to fully discuss the implications of this legislation, which will greatly affect Indian people?

**Hon. Mr. Tracey:** Yes, I will be meeting further with the CYI. This act deals with a great many people in the territory, not only the Indian people.

**Question re: *The Children's Act***

**Mrs. Joe:** I have a question for the Minister of Health and Human Resources. The government leader stated, last night, that all concerns in *The Children's Act* would be seriously considered and amendments could be made. Since concerned and interested Yukoners will want to know if the department has, in fact, seriously considered their concerns, will the minister make available, one week in advance, any amendments to *The Children's Act* before they are introduced in this House?

**Hon. Mr. Tracey:** No.

**Mrs. Joe:** The government leader's lawyer stated last night that he wrote *The Children's Act*. Since it is the most important act that has come before this House in years and has caused many groups and individuals serious concern, is it the intention of the minister to seek an independent legal opinion, outside of the department?

**Hon. Mr. Tracey:** I answered the same question yesterday. The answer is no.

**Mrs. Joe:** Will the minister delay second reading of *The Children's Act* until all interested Yukoners, who have requested a copy, have had a chance to study it?

**Speaker's Ruling**

**Mr. Speaker:** This question would be out of order if it is making a representation. However, if the hon. member would wish to pose a question, she may proceed.

**Mr. Penikett:** On a point of order. We are asking if it is the government's intention to make copies of a bill available, which they have said they want to solicit public input into. It is a perfectly acceptable question, I submit, to ask on a procedural basis if it is the intention of the minister to make certain information available to the public.

**Mr. Speaker:** Order, please. If the question was asked as stated by the hon. leader of the opposition, it would be a fair question. Representations are to be made through other procedures in the House, like substantive motions, for instance: questions in the Question Period must be questions and not directions or representations.

**Question re: Diamond Tooth Gertie's contract award**

**Mr. McDonald:** I have a question for the minister responsible for tourism. Yesterday, I asked the minister if she supported the award of a contract to make improvements to Diamond Tooth Gertie's, in Dawson, to an Edmonton-based firm over two local contractors. As the Klondike Visitors Association is using public money to award this contract, can the minister state if she supports this award?

**Hon. Mrs. Firth:** It is not a question of whether I support the awarding of the contract. The Klondike Visitors Association applied to the government for some funding and they were successful in their application, probably because of their good record in previous years. They were awarded the money and they assumed full responsibility for awarding the contract.

This government does not operate like the federal Government of Canada. When we give them the money, we expect that they have the ability to decide who is going to get the contract.

**Mr. McDonald:** Can the minister state if any conditions whatsoever, such as local preference for contractors, are attached to the money given regularly to such groups as the Klondike Visitors Association?

**Hon. Mrs. Firth:** I do not have to do that. It is members opposite who are always saying that the communities should have more autonomy; now they are telling me that the Government of Yukon should step in and tell a community what to do with the money that we have given them.

**Mr. McDonald:** Will the minister undertake to review this

situation and report back to the House before the end of session; and further, in her inquiries, discover whether the Edmonton-based firm has given any guarantees to hire or purchase supplies locally?

**Mr. Speaker:** Again, the hon. member is giving a direction, making a representation, but we will assume the question was: is the minister considering doing as stated by the hon. member for Mayo.

**Hon. Mrs. Firth:** I have already reviewed the situation and the KVA, I think, is quite capable of awarding the contract. Mr. Castellarin is an accomplished carpenter; he used to be a contractor and I have extreme faith in what he is doing.

**Question re: Sick leave as compensation**

**Mr. Penikett:** I have a question for the government leader, in his capacity as the minister responsible for the Public Service Commission.

I understand that it is this government's policy to pay full salaries to employees who are unable to work because of illness or injury on duty. In cases where there is no difference between the compensation paid for the illness and the compensation paid for injury, can the government leader tell this House if minor injuries are sometimes compensated as a matter of practice as sick leave?

**Hon. Mr. Pearson:** Sick leave is something that employees earn as a right and as a benefit, but there is no duplication, that I am aware of, between sick leave and compensation. If a person is on sick leave we are paying them because they are on sick leave, not on compensation. They make application for sick leave.

**Mr. Penikett:** My concern is that an injured employee may take sick leave, rather than compensation. I want to ask the government leader if he has any guidelines or policies which are followed by his department to determine whether an employee is compensated for illness or for injury on duty?

**Hon. Mr. Pearson:** An employee, like an employer, is required by law to report an accident. If an employee is injured, no matter the injury, there may not even be compensation involved, but they are required by law to report that accident; both the employee and the employer. If it is a compensable injury, then it is not sick leave that is applied for.

**Mr. Penikett:** I take the government leader's point. Can I ask him, then if, to his knowledge, it has been the practice of this government and this employer under the terms of the *Workers' Compensation Act* that he just quoted to report all injuries as required by law?

**Hon. Mr. Pearson:** It has been the policy and one that I am very very firm about. We follow the law all the way down the line — every law.

**Question re: Post secondary advisory council**

**Mr. Byblow:** My question is to the Minister of Education.

On March 24 the minister stated that she was investigating the establishment of a post-secondary advisory council to advise on the programs to be offered, and the directions to be taken by Yukon College. Will the minister definitely be establishing such an advisory council?

**Hon. Mrs. Firth:** I believe in the budget debates we pursued the committee a little further and I had not said that I would be looking at setting it up immediately; however, we are looking at setting up a committee.

**Mr. Byblow:** The minister also indicated that the council would be comprised of appointed representatives from all sectors of the Yukon community. Has the minister developed a list of the different interest groups including, perhaps, political parties, that she will tap for membership on the appointments to that council?

**Hon. Mrs. Firth:** The reason that it is going to take some time to set up the committee is because I would like some input from interest groups and people who are concerned about post-secondary education. One of the criteria for being on the committee will not be what political party a person belongs to.

**Mr. Byblow:** Perhaps I could inquire for some expansion on the process the minister refers to in how appointments will be made. Will she be soliciting nominations from groups and individuals representing the various sectors of the community, and are those

interested in serving on the council expected to directly apply to the minister? How will the minister now seek the input that she refers to for the appointments.

**Hon. Mrs. Firth:** We are just working on it now. I am trying to make that point to the member. I have not set down the criteria or what the mandate of the committee is going to be, and the advanced education portion of the Department of Education and I are sitting down in the near future to discuss that.

#### Question re: Fishery treaty

**Mr. Porter:** My question is directed to the Minister of Renewable Resources. The Reagan administration, a government I am sure that the minister has a great affinity for, has stated recently that it does not desire a fish war with Canada. Given the fact that the opposition of the Alaskan and Yukon governments may very well precipitate a major international dispute between Canada and the United States over the issue of a fishery treaty, will this government be re-examining its position on the treaty?

**Hon. Mr. Tracey:** No, the position we have taken on the treaty is beneficial to the Yukon Territory. What we are interested in is protecting ourselves and future generations of Yukoners from losing the economic benefit of the fish that come into the territory. We will not be changing our position; in fact, I hope that, within the next month or so, I will be meeting with Mr. De Bane and clarifying our position with him.

**Mr. Porter:** Given the prospect of a fish war occurring between Canada and the United States over the fishery treaty, with the losers being the fish and ultimately the consumer, is this government prepared to accept the responsibility of being a major cause of precipitating such a disaster?

**Hon. Mr. Tracey:** If the member across the floor thinks that we can become a major cause in the fish war between Canada and the United States, he had better think again.

**Mr. Porter:** Will the minister now admit that his government has been forced into a position of opposition to the treaty simply because this government has failed to carry out its responsibilities regarding the issue?

**Hon. Mr. Tracey:** Absolutely not. We are carrying out our mandate to the best of our ability. The international fish agreement was negotiated without our participation. What we are saying now is, we want participation because we want to protect the people in the Yukon Territory.

#### Question re: Women's Bureau

**Mrs. Joe:** I have a question for the minister responsible for the Women's Bureau. On International Women's Day, the minister said there was still an enormous amount of work that must be done to make our society more equitable for women. Since this government does not have an affirmative action program for women, will the minister soon be informing this House that he will make completion of the Women in the Labour Force study a top priority?

**Hon. Mr. Ashley:** The Women in the Labour Force study was shelved because of lack of funds, as I informed the members last November. Now, if and when we have enough funds, we will resume the study. It is looked at periodically. If we can come up with more funding, we will resume the study.

**Mrs. Joe:** I have a supplementary to the government leader. Yesterday, the government leader indicated that he felt the situation of women working for YTG had improved since 1978. In spite of his belief that statistics can prove anything, is the government leader, as minister responsible for the Public Service Commission, planning to provide, at the earliest possible opportunity, 1982 statistics on the distribution of jobs and salary levels between women and men in YTG public service?

**Hon. Mr. Pearson:** I do not think that we keep those statistics. If the member for Whitehorse North Centre wants us to keep specific statistics on women, for some reason, indicating that, in fact, in the workplace they are different from men, then that is fine. However, she is going to have to stand up and tell me so. At the present time, I do not know if those statistics are kept. I will find out for her. I am sure, had she followed the normal course and called the Public Service Commission herself, it could have told

her.

**Mrs. Joe:** I have a supplementary to the minister responsible for the Women's Bureau on the same subject. Has the minister considered producing an annual report on the activities of the Women's Bureau, which would include statistics on the distribution of jobs and salary levels between women and men in YTG public service?

**Hon. Mr. Pearson:** There are no differences. We do not set job qualifications for men and job qualifications for women. We even go so far as to refer to them as person-years in this government. They have been for a number of years. The jobs are classified with respect to their merit and people are paid with respect to their merit, not on whether they are a man or a woman. They get a job with respect to their capabilities, not with respect to whether they are a man or a woman. There is no argument with that; there cannot be. I would defy the member for Whitehorse North Centre to give us one specific instance, in this government, where we have discriminated against a woman, as she keeps implying, day-by-day, we do.

#### Question re: Employment standards and occupational health and safety

**Mr. McDonald:** I have a question for the minister responsible for labour services. The minister has stated previously that every attempt will be made to introduce employment standards and occupational health and safety legislation in this House this fall. Will the minister make public a position paper regarding proposed changes to the legislation before the fall session?

**Hon. Mr. Ashley:** If I deem it necessary, I will. There has been a lot of work done on this. As I said to the member opposite, as soon as we have our positions all ready, I may be wanting some more public input.

**Mr. McDonald:** Will the minister also be undertaking to review, this summer, the establishment of industrial relations legislation for the fall session?

**Hon. Mr. Ashley:** No, I have not contemplated that at this point.

**Mr. McDonald:** Has the minister's department authored any reports suggesting the need for changes to existing labour standards and occupational health and safety legislation and, if so, will he table them in the House?

**Hon. Mr. Ashley:** No, I do not believe so.

#### Question re: Land development

**Mr. Penikett:** I have a question for the Minister of Municipal and Community Affairs.

In regard to areas to which this government has considered for land development, has the difficult question of conflicting surface and sub-surface rights been taken into account and, if so, why is the protection for lot purchasers from depreciation to the property caused by mining on, or adjacent to, their properties not been written into agreements for sale, as the minister indicated the other day?

**Hon. Mr. Lang:** I will have to take notice on the question; I think he is close to asking me for a legal opinion and I will have to go back to the proper authorities to be able to reply.

**Mr. Penikett:** Believe me, I would never ask the minister for a legal opinion.

I would like to ask the minister: did his department take into account the future costs and complications to the territorial government of providing for firefighting services, or the cost to homeowners of fire insurance in the absence of firefighting facilities, when planning subdivisions such as Wolf Creek.

**Hon. Mr. Lang:** The planning of subdivisions within the City of Whitehorse, or any municipality, are conducted in concert with the city itself. I would suspect that that particular element, being a responsibility of Whitehorse, was taken into consideration when they approved the proposed plan and they brought forward the appropriate zoning. Outside the city, it was very clear that fire protection was going to be of a very minor nature if it was to be provided and, subsequently, it was reflected in the rates that the insurance companies established in respect to those particular properties.

I do not know what more the member wants. To be quite frank, I am finding the questions quite repetitious.

**Mr. Penikett:** Perhaps that is because the minister is not listening to them.

I just want a yes or no answer. Does the minister, or has the minister, recognized these matters as valid concerns, both to the government and to lot purchasers, inside and outside the city limits, and is the government, as a matter of policy, incorporating these considerations into the evaluation processes for areas which it will develop?

**Hon. Mr. Lang:** It is very difficult to give the member a yes or no answer to a three-part question. It was a supplementary: what is the main question? If the member opposite wants a yes or a no, let him ask one question at a time, please, and then I will give the member a yes or a no; or, maybe, a maybe.

#### Question re: Education programs in Faro School

**Mr. Byblow:** I have an unprovocative question for the Minister of Education.

Given the announcement that there will be a return to work through a stripping program at Faro, I would like to ask the minister what steps she is taking to ensure that the educational programs and services at Van Gorder School will not be cut this coming year?

**Hon. Mrs. Firth:** I do not recall hearing anything about any programs or educational services being cut. If there is the qualifying number of students to keep the school open there, once school starts, we will be keeping the school open.

**Mr. Byblow:** I am pleased to hear that level of reassurance, and I would like to pursue further for some reassurance that there is absolutely no truth to the suggestion that some or all of the high school grades will be eliminated next year?

**Hon. Mrs. Firth:** I do not know where these suggestions are coming from. They have not been coming from the Department of Education, or from the Minister of Education.

**Mr. Byblow:** Again, I am pleased to hear that reassurance and the minister can certainly appreciate the concern of those parents, whose intentions are to remain in the community, when these rumours are abounding. I would like to ask further that, since it is apparent there will be some vacancies in the various classrooms at the school next year, what steps is the minister taking to expand the adult upgrading programs in the community for the next year?

**Hon. Mrs. Firth:** The member, again, is very entertaining. I have not heard any rumours. There is a school committee in Faro, and I am sure if they had heard these rumours they would have brought them to our attention. We have in no way indicated that we are going to be closing the school. The member is aware that if there are 12 pupils there, there will be a school. As for adult education programs, I have been unable to give the member a commitment all through the budget debate, and I am unable to give him a commitment at this time.

#### Question re: Local preference

**Mr. Porter:** I have a question for the government leader, which should not cause him to fly off the handle.

Is it the policy of this government not to attach any conditions regarding the use of local contractors, local goods and services, and the hiring of local labour on funds that this government disperses to the communities of Yukon where such funds are aimed at constructing capital projects in those communities?

**Hon. Mr. Pearson:** I never fly off the handle; I might act like it but I never fly off the handle.

In answer to the question — I thought it was going to be a fishy one but it was not — we are precluded specifically by the federal government, and by the Canadian Constitution now, from putting those kinds of conditions on contracts that we call.

**Mr. Speaker:** There being no further questions, we will proceed to the Order Paper.

### ORDERS OF THE DAY

### MOTIONS OTHER THAN GOVERNMENT MOTIONS

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

**Mr. McDonald:** Next sitting day.

**Mr. Clerk:** Item Number 2, standing in the name of Mr. Kimmerly.

**Mr. Kimmerly:** Next sitting day.

#### Motion No. 13

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

**Mr. Speaker:** It has been moved by the hon. member for Whitehorse South Centre "THAT a select committee of this House be established, the members to be appointed by separate motion, to study and make recommendations to the House in the fall session on the advisability of: (1) introducing legislation which would have the purposes of making it illegal to drink alcoholic beverages while driving vehicles on Yukon highways; and (2) requiring the Liquor Licensing Board, when considering liquor licensing in a community, to consult with elected representatives of local governments including band councils and with representatives of other interested local organizations."

**Mr. Kimmerly:** I have brought forward the substance of these two motions before and, for those interested persons reading the debate, the previous debates are found in the 1982 *Hansard* at page 195 and the 1983 *Hansard* at pages 169 and 251. I am going to deal with the second part of the motion first, because I believe it is the most general and most important and it contains the crux of the principle involved in the motion.

The last time I raised this question, I started by referring to the first time I raised it and I made it very clear that there were some principles or some things about which this motion did not speak. The major one, I believe, is prohibition. This is not a prohibition motion; it is not intended to be a prohibition motion. It is of extreme importance that this principle be taken very, very seriously and I say that because, in the past, these kinds of issues have not, in my opinion, received the serious deliberation that they deserve.

There has been recent public discussion around public drinking and about Rotary Park. Those issues are relevant to the general principle of this issue and I raise them in order to try to clearly define the principle of this motion because this motion goes far beyond the issues involved in public drinking laws and especially the Rotary Park issue. It was interesting to me that I was stopped on the street by a Whitehorse alderman a little while ago, and we discussed the public drinking issue. Although he is, I believe, a Conservative and I am clearly a New Democrat and, although it is my position very clearly that the public drinking ban in Rotary Park is appropriate and I clearly and definitely support the position taken by Whitehorse City Council on the question — and this alderman voted against it, I believe, wrongly — aside from those considerations, there were some principles that we agreed on. We agreed on them completely, I believe, and in a very firm and forceful way.

I put the issues in a letter along with the alderman who sent the letter for publication in the paper and listed the principles. The principles are these: 1) that public drinking is not the real issue or the real problem. The real issue is public drunkenness. There is a substantial difference. 2) that public drinking laws do nothing — and I underline "nothing" — to help the drunkenness problem. However, they do substantially improve the appearance of the city and the convenience of the citizens of the city. 3) the real issues and the background causes of the drunkenness problem are not dealt with in the territorial government programs or the municipal government programs. I will have a lot more to say about that later on.

The fourth issue was around the freedom of the individual, which the member for Porter Creek East spoke about in the last debate in this Assembly. This Conservative alderman and myself agreed, and I want to say clearly that I agree, that the rights and privileges of ordinary citizens should not be abrogated or infringed upon unless there is very good public safety grounds in order to do that. We state that it is our belief that the enforcement agencies and the courts will clearly be able to recognize the very small problem in our society of public drinking and treat it as such, as a small problem, and will recognize the problem of public drunkenness as a

substantially greater problem and a symptom of an even larger problem.

After the debate in March 1982, there was an editorial in the *Whitehorse Star*. I want to refer to it because I believe it makes a lot of sense. It also brings out into the open a question which is very closely at the very nub of the political issues involved in the drunkenness question. It is very rarely spoken about publicly because it is such a sensitive issue. It is the issue of Indian drunkenness. I wish to very carefully and very seriously raise that issue. I apologize, in advance, to those Indian people who may object to public attention being put on this issue.

The editorial says that "existing liquor regulations are not intended to solve social problems". That is an accurate statement and I wish to agree with the editorial writer in his next statement, which is "perhaps they should be". I say they should be.

"The social problems and the extent of the problem in Yukon is so large that liquor regulations should address those social problems. The editorial goes on to talk about native and non-native alcoholism and the different perceptions of that problem.

As I am not native, I am not fully qualified to speak about that particular problem and I wish to quote from a very distinguished person of native ancestry, Chief Dan George. Chief Dan George is an eloquent spokesman for his people and I wish to quote a couple of paragraphs because I believe they put the problem in its perspective very well and it is a native perspective.

Chief Dan George says, "I think it was the suddenness of it all that hurt us so. We did not have time to adjust to the startling upheaval around us. We seemed to have lost what we had without a replacement for it. We did not have time to take your 20th Century progress and eat it, little by little, and digest it. It was forced feeding from the start and our stomach turned sick and we vomited.

"Do you know what it is like to be without moorings? Do you know what it is like to live in surroundings that are ugly and everywhere you look you see ugly things, strange things, strange and ugly things? It depresses man for man must be surrounded by the beautiful if his soul is to grow.

What did we see in the new surroundings you brought us? Laughing faces? Pitying faces? Sneering faces? Conniving faces? Faces that ridiculed, faces that stole from us. It is no wonder we turned to the only people who did not steal and who did not sneer, who came with love. They were the missionaries and they came with love and I, for one, will ever return that love.

"Do you know what it is like to feel you are of no value to society and those around you, to know that people came to help you but not to work with you, for you know that they knew you had nothing to offer? Do you know what it is like to have your race belittled and to be made aware of the fact that you are only a burden to the country? Maybe we did not have the skills to make a meaningful contribution, but no one would wait for us to catch up. We were shoved aside because we were dumb and could never learn.

"What is it like to be without pride in your race, pride in your family, pride and confidence in yourself? What is it like? You don't know, for you never tasted its bitterness. I shall tell you what it is like. It is like not caring about tomorrow, for what does tomorrow matter? It is like having a reserve that looks like a junkyard because the beauty in the soul is dead and why should the soul express an eternal beauty that does not match it? It is like getting drunk for a few brief moments and escaping from ugly reality and feeling a sense of importance. It is, most of all, like awakening next morning to the guilt of betrayal, for the alcohol did not fill that emptiness, but only dug it deeper.

"That, of course, is an emotional statement, and I hope that members can recognize the truth of the statement and the fact that it comes from a man's soul.

In a more academic sense, Mr. Justice Tom Berger said, in 1980, on page 3 of the report, and I quote: "Alcohol was, of course, linked to demoralization and decay but it should not be regarded as the cause. Excessive use of alcohol was, rather, a manifestation of the disintegration of Indian society. At the same time, it accelerated and compounded the process, while taking its own immense toll of life." I go on to those quotations and raise that issue because I

believe that, more than all of alcohol abuse programs that can be offered to alcoholics and others — more than all of that — the crux of the problem and the basis of the problem is self-pride and self-worth. I believe that, in a community where a community comes together and attempts and tries to deal with a community social problem, it is our duty to respond to it.

The community of Upper Liard and the community of Ross River recently have taken these kinds of initiatives to attempt to regulate themselves and to, in a democratic way, try and deal with their problem themselves; to pull up their own socks. We did not listen to them. I am ashamed of that. These were local initiatives and I stress the word "initiative". The people of those communities are attempting, in their own local way, to deal with a horrendous social and medical problem, and it is only our duty to listen to them.

The motion calls not for local control, but local consultation with elected representatives of local governments, including band councils and other interested local organizations. It does not give control to anyone who does not already have it now. It simply demands that the Liquor Licensing Board listen to the initiatives of communities. I cannot speak forcibly enough about that particular principle, and I urge all members to consider it with the utmost seriousness and I urge all members to support it.

Going on to the first part of the motion, concerning drinking alcoholic beverages while driving a motor vehicle on a highway, the political argument is obviously that, on the one side, there is a potential public danger if people are becoming impaired behind the wheel. On the other side, the argument is clearly individual freedom and the right to exercise individual free choice, and to, as one member put it, "on the way to the cottage, have a cold beer while driving".

"This law has been passed everywhere in the country, except the Yukon. It has been recognized that driving and drinking simply do not match. Any intoxication behind the wheel of a car is a danger. I believe that those statements, in fact, are uncontroversial. The opponents of this kind of a measure would argue that people are responsible enough to drink a beer or to not impair their ability to drive to such an extent that it is an intolerable danger. It is obviously their argument against it. I say that it is amply demonstrated that there are people who are not so responsible and those people are on the roads, and those people are just as likely to kill some other innocent person as they are likely to kill themselves. I do not trust the ability of human beings to safely judge, with precision, what is enough, when they are drinking and driving at the same time.

It is too much of a danger to tolerate, for ourselves and for all those innocent people on the highways, and I urge as a measure of public safety, that all members seriously consider this part of the motion. Thank you.

**Hon. Mr. Lang:** I will do everything I possibly can to give a lively presentation in order that members who are falling asleep have an opportunity to wake up, or perhaps take more interest in the debate we have at hand here.

I would be the last to criticize the member opposite for a lack of persistence. We can honestly say that he does enjoy reading his old debates and raising the same questions over the course of the year, as long as it is within the rules, and I give him full marks for that.

I think there is a broader question at hand here than the resolution before us actually addresses, but the intentions behind the motion are clear and unequivocal. The member opposite has distinctly said that he does not trust the general public. He is not prepared to leave that type of responsibility with the individual on the street and he is going to legislate, even further, in respect to the question of drinking.

Let us be frank, the member opposite does not want people to drink. He is not prepared to come out and say that he is for pro-prohibition, because his leader obviously has told him that that would not be politically wise. He has made it very clear during his time in this House that he does not think people should have access to liquor, but if they do, it should be controlled.

I have thought a great deal about this subject before today; in fact, I had a dream last night. I woke up in the middle of the night and I had a clear picture of Mr. Kimmerly going into the Faro hotel,

into the beer parlour, with an axe in hand, saying "this is wrong, this is bad for you" and taking a scythe across the tables; and behind him, of course, following like he always dutifully does, Mr. Penikett, trying to say a cooperative word, trying to bring people together. Then, in the background, I saw, lunging through the door, Mr. Piers McDonald, who, because of his wise counsel and his experience in negotiations, trying to bring the miners and Mr. Kimmerly together. And then, all of a sudden, out of nowhere, came Mr. Byblow, and he looked at the scene and he said to himself "I am in the wrong party", and he dashed to the telephone to phone the president of the Conservative party to see if there was a card that could be rushed out airmail so that the member opposite could say to the people at large that he had finally seen the light.

<sup>17</sup> **Some hon. member:** That is a nightmare, not a dream.

**Hon. Mr. Lang:** I have to say to you that I guess I would not refer to it as a dream, but as a nightmare.

The reason I bring this up is the fact that, looking into the past at how our liquor laws have arrived at where they are today, the member opposite has not reviewed what happened during the 50s and the 60s in Yukon. I recognize the member opposite is new here and would like to put his ideals forward and implement them into law so that all the people of the Yukon Territory could say they were under Mr. Kimmerly's law.

For example, I refer to the ridiculous state of the liquor laws back in the early 60s and I wonder if the member opposite has ever heard about the "Newport Quickie" case? Silence. Well, that was a case where a very good friend of the member opposite was apprehended for bringing, from the State of Alaska, liquor, the Newport Quickie, which, incidentally, for the member opposite — well, he might not know in view of his background — is referred to as a screwdriver in some circles. It was brought from the States in a container and was in this individual's car for approximately six months. The reason it was in his car for six months was not the fact that the member was drinking, but the fact was that the individual needed a container just the right size to fit between his brake and his accelerator so that, when he was starting his car in 40-below weather, he could leave the vehicle and the revs would be maintained until such time as the vehicle thawed out.

What took place from there was that it went to court. The way I understand it, initially there were charges going to be laid that there was *prima facie* evidence that there was a bottle in the car, but it was not opened. Therefore, I gather that the charge was that it was illegal to bring the liquor from the State of Alaska to Yukon. There was a great deal of expense and emotional trauma for the person involved as it went to court. The charge was finally laid that there was a two dollar charge, as far as the sentence was concerned, and that was the end of the case.

The reason I raise this is that I want to look back on our liquor laws and the way they were. The fact was that law enforcement officers could do almost anything they wanted with respect to a vehicle and a bottle being found in the confines of a vehicle.

The member opposite was not raised here in Yukon; I was. In our debate on the highway budget yesterday, I pointed out for the member for Mayo's information — which had probably never occurred to him before — that for every mile of highway there is two miles of ditch. What happened during that time, when it was illegal to have an open bottle in your vehicle and drink, was — and Mr. Speaker knows full well, as well as myself — that bottles were tossed out of the vehicle. Subsequently, what we had was all the ditches on the highway littered with broken glass.

If the member opposite can give me a firm commitment that, in his spare time, he is prepared to go up the highways and pick up this broken glass, which would be a result of such a law as this, then I would be prepared to seriously consider the motion that we have before us. However, I know the member opposite will not do that; he will expect somebody else to do it or maybe make it a make-work project.

<sup>18</sup> It would seem to me that we also have a difference in philosophy. The member opposite gave this presentation that inferred everybody in the Yukon, to all intents and purposes, are drunks. I would submit to the member opposite that there is a small minority of the population, native and non-native, who abuse liquor just like

anywhere else in the world. I have to say this: I do agree with the member opposite that we can start all the programs in the world but when it comes down to the bottom line, it is the individual or the collective will of a small group of people who are going to say to themselves, look, we have had enough, we are not going to partake of alcoholic beverages any longer because, in their individual cases, they cannot cope with it.

I should point out to the member opposite that there is a very good article on the subject of alcoholism in the United States in this week's *Time* magazine that was just published. I think the member opposite should take the opportunity to read that article. I would assume the same principles could well apply here. I do not pretend, unlike the member opposite, to be an authority on the question, but I do recognize that, in some quarters, it is a problem. I do agree with him on that point. However, I am saying that this particular motion is not going to solve the problem.

I bow to the Speaker in this case because I think he is the longest-sitting member in this House and he has had to deal with this problem over the last 20 years as far as the laws in this area are concerned. Perhaps, the member opposite should go and have a private conversation with the Speaker about this subject at some time. He could get further background as opposed to myself having to bring it forward to the floor of this House and maybe cause us to save some time in this Legislature.

I would say, the first part about the illegalities of drinking alcohol beverages in vehicles, I would submit we have passed laws and we did take it very seriously. On first offence of impaired driving, it is an automatic three month suspension. That is a very, very serious decision to make because you may well be affecting a person's ability to make a living. It is interesting to note, when you look at the statistics from last year to this year, they are down. Obviously, people are recognizing that they should not be impaired and driving.

On the second part of the motion, I am going to make it very clear: the mandate of the Liquor Corporation is to control the licences for the purposes of selling liquor and also to enforce the laws and the regulations that are put in place in respect to running such establishments. Any time there is a requirement for a public hearing, they give due notification. Anyone, whether it be from the band council, from the LID or the municipality, can take the opportunity to appear before that particular board.

I recognize that what the member opposite would like to see is, perhaps, the shutting down of some establishments in communities. I do not know if the member for Faro would agree to that if, perhaps, three people from the municipal council got up before a public hearing and said, we would like to shut down the Faro hotel or, in Watson Lake, to shut down the hotel there. I do not think he would.

<sup>19</sup> He went under the laws of the land. He abided by the rules. He made a substantial investment. Are we going to have it so that tomorrow, because some people do not like someone else in the community, they can gather a force together and say "we are going to shut that person out of business". That is, in effect, what that aspect of the motion could do. I submit, to the member opposite that would not be right; in fact it would be very very wrong of any legislature to pass a law to make that possible. So I say to you, in view of what I have said, in view of the nightmare I had last night, I cannot in all good conscience support the motion.

**Mr. Penikett:** You will naturally know that I did not intend to get into this debate but I have been singularly impressed by what the member said opposite. I may even say that I am awed.

The other day the minister said that he did not know anything about farming but when I watch him and listen to him shovel buffalo chips in this House today I think there must have been some secret occupations in his past. In fact, may I say that his speech today resembles considerably that of a carnival pitchman. Might I also say that the way he moves his hands and arms in the House indicates that he may well have been a stable boy at some time in his past.

I want to say this, though, obviously nothing we say or do in this House appears to impair the ability of the member opposite to earn a living, to my regret. The member opposite suggests that



somehow, across this side of the House, there is some kind of axe-wielding, frizzy-haired, tight-buttoned, stiff upper-lipped, evangelical prohibitionist. I know that you know, and I think that most members know, except for the member for Porter Creek East, that there are very few of those prohibitionists and others of that view in this town who would regard the NDP caucus as their principle advocates or their principle saviours on this score. In fact, I suspect they have a rather different view.

On an entirely serious note the question comes down to two things; the question of drinking and driving. It is a question of freedom and responsibility. Given the difficulty that the member opposite has in saying anything intelligent on this subject, it is clear that it is a very complex issue; I recognize that. I guess, in my own mind, I have to say — the member is complaining that I have not said anything endearing about him yet, I will in time — it comes down to this question in my mind: is my right to drink and drive on the road greater than the rights of others who use that road to use that road free from the fear that their car and their family may be totalled by a drinking or a drunk driver. I have to conclude that I do not think my right to do that is that. I think the right of citizens to use the roads with a reasonable degree of safety is greater than my right — and I would say my licence — to drink and drive. The member opposite was so unkind as to suggest that my friend from Whitehorse South Centre was not willing to respect the citizen, or respect the views of the public. I would suggest that the second part of the motion that suggests that locally elected bodies be consulted about the terms under which liquor will be available in their communities is not only thoroughly democratic, it indicates a high degree of trust in the local community. It indicates a great degree of trust in the willingness of those of us who believe in democracy to see the form of government closest to the people exercise, not control, the right to express an opinion on such an important subject.

The member opposite accuses me of not listening. It has been said many times that I listen better than I speak and I share that view.

**Hon. Mr. Lang:** I should hope so.

**Mr. Penikett:** It has also been said that I speak better than anyone else in this House. We can understand the problem we have with legislating here.

The difficulty is that the member says that they can do that consultation now. However, since the proposition that communities shall be consulted has been presented to this House on at least one occasion before and the House has, in fact, expressed the view by a vote that consultation is not a good thing and not an approved activity of the House, it could hardly be said that it is a recognized and approved practice by this government. In fact, rather the opposite: anyone who wanted to seek the views of the government on this question would just have to refer to the debates and the official statements of the government as found in the words of the member for Porter Creek East, and I think they would find that the views of this government are decidedly schizophrenic. They may think it is appropriate for people to have a voice in these decisions, but only if their voice happens to be a voice of the government's.

To be entirely serious about this question, I believe it is, as I said, a question of freedom of responsibility. It is one of those tough judgments that governments and legislatures will have to make, from time to time, between the rights of individuals and society's rights. It seems to me that the proposal is not, in either of its respects, a great invasion of either the rights of the individual's or society's, but I think is an earnest effort to find a more appropriate balance between those two rights. Thank you.

**Mr. Speaker:** The hon. member for Whitehorse South Centre now twice speaking will close debate. If members wish to speak, please rise and indicate to the Chair.

**Mrs. Joe:** I am just going to have to learn to rise a little bit more quickly.

I had intended to enter this debate and I was a bit surprised at some of the things that were said by the member who just left. He indicated that the speech by my colleague for Whitehorse South Centre was very boring and that everybody was falling asleep. To me, that is an indication of how seriously these people on the other

side of the House take these problems.

I think that we have a very deep problem in Yukon with regard to alcohol and we only have to look at the statistics that come out each year. We are aware of a letter that was written by a doctor who wrote a letter about a night in the out-patient's section of the hospital. I am sure that the Minister of Education is very aware of the deep problem that we have with alcohol in Yukon. I do not think that we can sit here, as responsible legislators, and ignore the problem. I think that we have to deal with it and, if the members across the House do not think it is a problem, then I think that they should not be sitting where they are.

I was trying to think of how many people were killed in car accidents and, right away, I thought about two accidents that had occurred and they were both alcohol-related. There were three people killed in one and four in another, and one person was handicapped for life. Those are only two incidents that I can think of at this time. I have indicated to the Minister of Health and Human Resources that there is a very high Indian death rate in Canada, and probably higher in Yukon than it is anywhere else and we all know that the majority of crimes are alcohol-related.

If we sit here and ignore those facts and those figures, then I think there is a very deep problem in this government. The member for Whitehorse South Centre had read a very emotional statement that was made by Chief Dan George. Chief Dan George was a very good friend of mine. I think he spoke on behalf of a large number of Indian people. I just want to say, as my leader did, that we already know that this motion is not going to be passed, but I think, as responsible people who sit here and represent all of the people in the Yukon, we have to stop giggling and laughing and making nasty remarks in this House and deal with those problems very seriously. I think the time to do it is now, when we have a chance.

**Mr. Brewster:** I was not going to talk on this motion because we have gone through this before, but I think there are a few people around here who have very short memories. I can remember the days when the native people were not allowed to drink, were not allowed in the bars, when we were turned around and searched and road blocks were all over because we had liquor in our cars. We were not allowed these things and the people demanded changes. The Indian people demanded their right, which is their right, to drink in bars like any other person. They got these rights. Now you turn around and criticize and say they should not have these rights. I do not think anybody, on the other side of the House or this side of the House, has a right to make a decision for those people.

**Mr. Porter:** I did not, at the outset, intend to involve myself in this debate because I realize the divisive nature of the reaction of the Assembly to this question. I will not, today, speak freely; I will not, today, speak from the soul, if you will, because I know if I really did say what I felt about the alcohol situation in the Yukon you would throw me out. So I will attempt, in a very cool, calculated fashion, to be as dispassionate as possible when speaking to this issue.

I will direct my remarks to the member for Porter Creek East who talked about a certain dream he had. If he did have a dream, I had one as well, and it was a nightmare as well. But it was totally different from what the minister himself had seen. In my dream, I saw the minister driving a semi-truck through the Yukon with a huge water tank on the back, and of course the tank was filled with booze — Hudson's Bay Rum, over-proof to be exact. He travelled through each of the communities and, at each of the communities arrived in, he stopped his truck. Following in another vehicle was the entire Cabinet of this Conservative government, dressed in old army surplus fatigues. What they began to do was round up each of the members of the community and bring them to the truck and force them to drink until they were totally drunk, telling them it was good for them and that was what they should be doing as good citizens of the Yukon. Then they went on to each and every one of the communities until they got everybody in the Yukon totally drunk. When they got back and they finished, what did they do with themselves? Got drunk as well.

I think the nightmare that this particular member of the Legislative Assembly talks about and the one I have just depicted gives you an illustration as to the division and the polarization over

this issue. I think what we have seen in these two scenarios are the extremes that exist in the Yukon right now regarding this situation. To continue to debate in this fashion, to ridicule members when they attempt to bring it up in an honest and open approach, will do nothing but continue to exacerbate the polarization and the division on this issue.

<sup>22</sup> I do not think anybody in Yukon wants that. When you talk to the people in Yukon, regardless of who they are, I think everyone in Yukon recognizes that one of the greatest social problems that exist in this territory is alcoholism. I believe that many leaders in the communities, regardless of whom they represent, do want to tackle the problem and do want to do something positive about it.

If we continue in the kind of level of debate that this Legislature has been dragged down into this afternoon, we will not succeed. It is only when the people representing the government, on that side of the Legislature, and the people representing the opposition sit down and very carefully, and with an open mind, establish a level of dialogue between ourselves: "Are we going to do something about alcoholism in Yukon?" That is what I urge members of this Legislature to do; cut out this nasty kind of partisan, individual approach to the problem.

I think that we should stop trying to ridicule members on each side of the House simply because they have brought out a very sensitive and important issue and have attempted to, in a very credible fashion, deal with this very deep problem in Yukon.

In respect to the whole question of native alcohol abuse that has been brought up in this debate, there is no question that, in Yukon, the situation is very extreme. In comparison to other parts of Canada, it is without question worse off. If you look at the question of suicides, if you look at death-related incidents, such as car accidents, child abuse, wife beating, and all of those very serious crimes — many of the crimes that involve native people have always shown that the major cause has been the abuse and misuse of alcohol.

I think that we, as the Legislature, should be working collectively, in a responsible fashion, to turn those kinds of statistics around so that we can someday say, "Yes, we have done something positive. We are doing something positive to rectify the situation", and that we are not simply attempting to ridicule one another and get involved in emotional debates about the question.

When you look at the native community; they, themselves, have recognized the problem. Just about every chief who sits on the board of the CYI does not drink. More and more, on a daily basis, young native people across Yukon are quitting, or resolving to themselves to quit, drinking.

In some instances that may be seen as an extreme measure but, in respect to the problem, for some it is the only solution. I think in the native community there exist young native people who have shown leadership and who have shown some dedication to do something about the problem. I speak, of course, of people like Marilyn Van Bibber and Albert James who have, over the last few years, taken it upon themselves to work toward the resolution of this problem. They have travelled to each of the communities in Yukon, conducted alcohol awareness workshops, have brought people together, young and old, to look at the problems, to sit down and come up with some constructive programs as to how they, as a community, as a group of people, can collectively address and hopefully solve the problem.

That, I think, should be encouraged. People like those individuals should be encouraged. The kinds of programs and the kinds of aspirations that they have should be encouraged by this Legislature. I, for one, as a member of this Legislature, do recognize and encourage the efforts that are being made by those individuals and others like them.

**Some Hon. Member:** Hear, hear.

**Mr. Porter:** I would just like to conclude by saying that, once again, this is a very sensitive and sometimes very emotional issue. I think that for us to be responsible we have to elevate the future debates on the question to other than name-calling and ridiculing that has been done in the past. I urge members on the opposite side of the House to look at it in that fashion, as well.

Thank you very much.

<sup>23</sup> **Hon. Mr. Tracey:** I, like the previous speaker, was not intending to rise; however, after the comments he has made and the type of personality he has shown in this Legislature — his confrontation policies, the way he asks questions and the accusations he makes — I am forced to rise to my feet. I agree with him in a great deal that he says, but if there is a more confrontational member in this Legislature than him, I do not know who it is.

Yes, it is a very good thing that the Indian people are trying to upgrade their lifestyles and get away from alcohol; that is something we encourage and, in fact, my department has been trying to work very much with them to do that. I have, myself, had them into my office and tried to make some arrangements where we could do it jointly.

The member for Kluane brought up a very relevant point. A few years ago, when it was recognized that native people could not handle alcohol, they were restricted in their use of it. At that time, members such as the members across the floor and the native people were up in arms about it: "We are not being treated as equal to other Canadians", so they were given that equality. Now, what they are telling us is, "because we cannot handle it, then you should be restricted. Restrict the use of alcohol in the territory. But not only for us — for you as well". That is not what I call fair ball. I think it is great that the native people are trying to cut down their use of alcohol, but prohibition has never worked anywhere in the world. It has never worked anywhere. It has not worked in the Northwest Territories, where they have prohibition in the communities. Prohibiting someone from driving down the road and drinking a beer in the car is not going to cut down the alcohol-related accidents in this territory, because anyone who is driving while being drunk is going to drink anyhow. All we are going to see happen is that it is going to be illegal to have a bottle in your car, so it is going to be fired out onto the road. We are going to have litter all up and down the highways.

The only way to overcome the alcohol problem is for the people themselves to take control of their problem. I have heard numerous times in the last five years that I have been in this Legislature that the Indian bands would like to have more control of this and more control of that, that they should be consulted on this and should be consulted on that; in fact, this motion says that we should consult the Indian bands. The Indian bands are now saying that we should consult them when dealing with Indian children under the new *Children's Act*. It is constantly one thing after another that we should consult the Indian bands on. We do not have to give the Indian bands any power of consultation to stop these people from drinking or to counsel them against drinking; they already have that power. Why are they not exercising it? Why are they instead saying "restrict the use of alcohol for all the rest of Yukoners so that we do not have this problem"? I agree that they need to restrict the use of alcohol but I do not agree that we should restrict the majority just to look after the small minority. They have an obligation to look after themselves as well.

**Mr. Speaker:** The hon. member for Whitehorse South Centre, now speaking twice, will close debate.

**Mr. Kimmerly:** I wish to respond to the statements made in the debate and I wish to observe that the debate has been rather richer in symbolism than the past three debates in this Legislature on this issue. It is my view that that is a good thing. Part of the business of politics, part of the duty of politicians, is to be communicators and to speak about and, in some cases, lead public opinion.

<sup>24</sup> In the past this issue has been dealt with, in the political sense, around the issues of public drinking. On those issues, the specific question of law to be decided has been a mask for the real question and the real political issues in the territory, which are the rights of individuals and the feelings that non-native people have about native people, and, I would say, even more importantly, the feelings that native people have about non-native people.

In the past, public drinking has been the symbol by which we talk about these general issues. It is appropriate, I suppose, that when that mask is taken away and the issue is exposed, at least partially, for what the real issue is, that the member for Porter Creek East retreats into a symbolic way of speaking because he cannot face the real issue face to face. It is a matter of much sadness to me that the

Tory front benches giggle and laugh and ridicule the motion by their actions and their statements about dreams and nightmares, and I thank the member for Campbell for responding to that symbolism.

I also thank the leader of the opposition for stating in a more succinct and better way the statement that I made about trust and the trust that the public ought to feel about people who drink and drive at the same time. I expressed it in terms of trust and I stand by the statements I made; however, the leader of the opposition expressed it in terms of the balancing of rights. The right of an individual to drink and drive, at the same time balanced against the right of an individual to travel the public highways in safety and peace. That is an addition to the debate. I am pleased for that.

In responding to the specific points, the member for Porter Creek East talked about the fact of trust and a failure to trust the general public. The second part of the motion is clearly about trust in the local authorities and in communities. I say about the issue of trust, do the communities or do the Indian bands trust those five people there to make their laws for them? They do not. The member for Porter Creek East also talked about the old laws in the 50s and 60s, and I say this: we cannot go back. I have said it, I believe now seven times in the Legislature — this is the eighth — I am not proposing to go backwards. I am proposing to go forwards with new measures and to follow the experiments already started in the Northwest Territories, and I refer to the point made by the member for Tatchun about the Northwest Territories experiments. His statements were factually incorrect.

The death rate and the injury rate and the incidents of medical problems due to alcoholism are decreasing, although not uniformly, across the Northwest Territories. Across the Northwest Territories, there are many community experiments underway. Some of them will improve the situation; some of them will not. Those people are trying, and I wish we were among them.

On the issue of littering, it is clear that littering is a problem and I suggest that if drinking and driving were made illegal the incentive to have bottles and cans and such in a car would be reduced, in the first place. Secondly, the motion does not call for not having liquor or bottles or cans in the car; it only refers to the actual drinking by the driver.

The member for Porter Creek East also said that I inferred that Yukoners were drunks. Well, I do not wish to do that, that is not my intention at all. In fact, the alcoholism rate in Yukon is larger than the national average; however, the young population is also larger. Perhaps it is more of a problem in Yukon than elsewhere, however it is absolutely clear that no one, with the possible exception of the member for Porter Creek East, is referring to all or most Yukoners as being drunks.

He also talked about shutting down some establishments. That was dealt with previously by Mr. Fleming and also by the member for Kluane in the last debate. I say, and I repeat again that what we are talking about is local consultation, not even passing laws about licensing, just about local consultation.

The member for Kluane said, "We have no business making decisions for those people". I agree; I agree with that. The member for Kluane very often says an intelligent thing and I agree with that. I would point him to the motion. What the motion says is that we have no business making decisions for those people. The people in the communities should be making their own decisions. I agree with that; that is a good statement.

The member for Tatchun was talking about how native people could not handle alcohol and how it is a good thing that native people are not drinking as much now. He says, "People themselves should take control of their problem". If this motion were passed, it would contribute to the ability of people themselves to take control of their problem, but, much more importantly, the member for Tatchun has missed the point of Chief Dan George's statements. I do not believe that the native alcohol problem is necessarily different from the non-native alcohol problem.

<sup>26</sup> I believe that the general problems of native people imposed on them by the tremendously fast cultural change has made native people more susceptible to the alcohol abuse problem. The alcohol abuse problem, taken in isolation, affects non-native people just as seriously, and I would suggest in just as many numbers, as native

people, but the native people have far, far more serious problems to contend with in relation to the maintenance of their culture and their racial pride. The symptom of alcohol abuse for those people is, of course, more serious. This problem, this general question, is not going away. I, in fact, am encouraged because we have taken a small step towards bringing the question into our consciousness and our consideration and therefore into a little better focus. I hope in the future that even greater progress is made.

#### *Motion defeated*

#### **Motion No. 14**

**Mr. Clerk:** Item no. 4, standing in the name of Mr. Kimmerly.

**Mr. Speaker:** Is the hon. member prepared to deal with item no. 4?

**Mr. Kimmerly:** Yes, Mr. Speaker.

**Mr. Speaker:** It has been moved by the hon. member for Whitehorse South Centre that this House recognizes and supports Mental Health Week.

**Mr. Kimmerly:** This, I would expect, is a non-controversial motion. Mental Health Week is the first week of May and it is a week designed to publicize the current issues in the mental health field and to provide an opportunity for services in the field to make their programs better known. I am sure all members will support it.

**Hon. Mr. Tracey:** We, on this side of the House, are certainly in support of the motion. The member for Whitehorse South Centre has been involved in the mental health field for quite a few years and I know that he knows all about it. I read in the paper that he is emotionally disturbed about *The Children's Act*, so perhaps he is also looking for a little bit of help and we will be glad to supply it to him.

#### *Motion agreed to*

**Mr. Clerk:** Item no. 5 standing in the name of Mr. Penikett.

**Mr. Speaker:** Is the hon. Leader of the Opposition prepared to deal with item 5?

**Mr. Penikett:** Next sitting day, please.

**Mr. Speaker:** So ordered. We will now proceed to motions respecting committee reports.

#### **MOTIONS RESPECTING COMMITTEE REPORTS**

**Mr. Clerk:** Item no. 1, standing in the name of Mr. Penikett.

**Mr. Speaker:** Is the hon. member prepared to deal with item 1?

**Mr. Penikett:** Yes, we are.

#### **Motion No. 7**

**Mr. Speaker:** It has been moved by the hon. leader of the opposition that the Fourth Report of the Standing Committee on Public Accounts, presented to the House on March 29, 1983, be concurred in.

<sup>27</sup> **Mr. Penikett:** I enter this debate, of course, not as the leader of the opposition but as chairman of the Public Accounts Committee. It is traditional, as members will know, throughout the British Commonwealth for this committee — sometimes the only committee — to be chaired by a member of the opposition. It has been my pleasure to be associated with this committee since its inception in the Legislature in 1979. I must say that, as someone who has observed the committee since its beginnings, I am continually impressed with the efforts and the work of the members and the staff of this committee.

The committee report that we have before us is the first in the life of this Legislature, but it continues in the traditions that were established in the last Legislature. It, like its predecessors, is the product of consensus in the committee. I feel bound to report that the two new members of the committee this year, the hon. Minister of Education and the member for Kluane, were particularly valuable additions and their energy and aggression in the hearings was admirable. We also, because of absences, had substitutions in the persons of the member for Porter Creek West and the member for Whitehorse North Centre. Both of those members played a valuable role, as well. I should, of course, mention that the members for Faro and Hootalinqua have been on the committee for some time,

along with myself.

As I said, the committee is still building on the foundations laid by the last committee. I feel bound to report that our procedures are much the same. We put a lot of emphasis on the role of the lead-off questioner in each day's hearings. That innovative approach has been the subject of praiseworthy mention in a recent national report which studied provincial auditors and provincial public accounts committees. It is the committee's intention that, next year, the lead-off questioner, who has the changes each day and who has the principle burden of carrying the enquiry in each day's hearing, will be expanding the role. Next year we expect the lead-off questioner will proceed, not only from doing initial research on the question through to the actual asking of the questions, but will also be responsible in the executive session of the committee for suggesting recommendations that appear in the final report.

We had a very full agenda this year, the heaviest agenda that we have had yet. We had 14 meetings in all. We did major reviews of three departments: Government Services, Justice and Yukon Housing Corporation. In addition to that review, we followed up the report and recommendations from previous years on five other departments. This follow-up procedure is one that we do every year and it is an activity principally concerned with finishing unfinished business or closing the circle on questions and commitments that have arisen in one year but have not concluded in the next year.

When I reread the report this year, I think two themes emerged. Both of them are issues which have been dealt with by the committee before and they are not policy questions in any partisan political sense, but they are difficult problems of administrative policy for this government. The first of the issues, that which we could describe as delegation of authority, is a complex constitutional issue. I understand the difficulties that that presents for the ministry but, because of the complexities, we believe there are continuing difficulties in the administration resulting from the lack of clear delegation of authority from the very top of the government to the very bottom.

» The delegation of authority we refer to is both the delegation of financial authority and management authority throughout the government.

The second issue which concerned the committee was the accuracy of information in public documents. This concern is addressed in the report. Members who have read the report will have noticed that there are occasions of discrepancies between the financial documents tabled in this House and the annual reports published by the government and the government's departments. Occasionally, those discrepancies resulted from a different base reporting year. In some cases, we had information that was reported on a fiscal year basis, other information reported on a calendar year basis. I believe the committee was of the opinion that a resolution of that difference, or a standardization of the base year, for these reports would be a useful addition.

Other members of the committee are going to speak to the specifics of the 18 recommendations made by the committee. I want to briefly speak about some of the specifics. Those that concern the Department of Justice, as I have said, deal with, in the main, the timeliness and the accuracy of information and we were, of course, given the undertakings of the senior officials of the department, when they proceeded before the committee, that that was a problem that would be addressed and rectified to the best of their ability.

With respect to the Department of Consumer and Corporate Affairs, which is the responsibility of the same minister, we reviewed the conclusion from the previous year's report about the problem of enforcing legislation. This year, officials of the department came back to us and elaborated on their previous statements about enforceability. I believe the committee was of the inclination to accept the department's position that there was some legislation that was, for all practical purposes, unenforceable. There was some legislation that may have been out of date. There was some legislation that it was impossible to do the kind of follow-up that had been previously recommended by the committee. It was for that reason that we made what we thought was a fairly modest suggestion by way of, in a sense, amending the previous recommendation which was that the committee review the legisla-

tion under its administration on a systematic basis and identify provisions therein that are not enforceable and recommend legislative amendments, if necessary.

That was basically to deal with the situation where you may have an act under the department's jurisdiction which provides for certain penalties, certain punishments and certain kinds of procedures which the government, for one reason or another, has deemed to be inappropriate, perhaps unenforceable or too costly to implement. Therefore, simply on the grounds of administrative efficiency and, if you like, tidiness, the committee was of the view that perhaps those provisions that provide for enforcement which the government has no intention of following, should be retired.

Other members of the committee are going to speak in more detail to the specifics of the report. I want to close simply by recommending the report to the Legislature and thanking, once again, both the members of the committee, the witnesses who appeared before us, the expert advice of the Auditor General and the continuing cooperation of the ministry with respect to the activities of the committee. Thank you.

» **Mr. Brewster:** The Public Accounts Committee is one of the most worthwhile, important committees I have yet to be involved with. Not only does this committee perform an important check of the administration of public spending, but it has given me the opportunity, as a new member, to become familiar with the operations of government. I was able to expand my limited knowledge of government by being able to ask questions of department deputy ministers and their staff. More importantly, in most cases, I was able to get the answers.

Private members of this House very seldom have the occasion to meet and discuss administrative concerns with deputy ministers or their staff. It is very interesting to see the difference in approaches and attitude between the various department heads. Believe me, there is a great deal of difference between these individuals and I would imagine this difference is reflected in the way each of them administers their department.

I would like to briefly comment on Recommendations 13 through 15 of the final report, which deal with the operation of Yukon Housing. "Recommendation 13: It is our hope that a more detailed breakdown of the costs, as they relate to each program, can be provided to future Public Accounts Committees. It would also be beneficial to include more information on unit operating costs in their annual reports."

This was the first appearance of the Yukon Housing Corporation before the committee and it will probably be some time before they once again appear before us. In this regard, it is very important to table the reports of the corporation on time to provide the committee members with the most up-to-date information, instead of having to resort to last year's material, which was the case for this year's committee.

Recommendation 14 refers to the contract by-laws of the corporation, which we found lacking. The committee recommended that "the corporation should examine by-law No. 5, Contract By-law, with a view to making amendments to prevent an unfair advantage for, or the appearance of, a conflict of interest of former employees of the corporation."

This is a recommendation that I urge the government to accept and implement at the earliest possible opportunity. As a committee member, a former businessman and a taxpayer, I am very concerned about what could happen in situations similar to the one described in the committee report. Not only does the government have to be fair, it has to appear to be fair. In the contract referred to, the circumstances surrounding the event do not appear to be fair, although further examination does, in fact, show that it was fair. As in the case of many similar situations, the media and, in turn, the public, very seldom get the whole story. This is a case in point, where only a few would have been aware of the whole story if the committee had not brought it to the attention of the government.

Government must always act fair and they must also appear to be fair on all contracts offered for public bid. Appearance is very important to the public who often only get a part of the whole story. By-law No. 5 does have some measures for protection against conflict of interest, but it does not go far enough in cases such as

this. The guidelines of the federal government state that a senior official cannot do business with his department until at least one year has elapsed after the official leaves the government. I might add that this recommendation, if acted upon, must be enforced as well as enshrined. I do not think Yukon can afford abuses as was the case with the Gillespie affair in Ottawa.

Recommendation 15 refers to the maintenance program of the corporation. The committee recommends: "The corporation should review its maintenance program to ensure that on-going maintenance is carried out on a regularly scheduled basis and that extraordinary maintenance is budgeted separately and is carried out as fast as possible."

Having had a personal experience as a lodge owner, I realize the value of a continuous maintenance policy. It is not adequate to have a budget for maintenance and then have the funds spent on extraordinary repairs. Regular maintenance must not suffer because funds are being used for special situations. An ounce of prevention is worth a pound of cure and there is no better application of this age-old saying than in the case of the Yukon Housing Corporation.

The committee recommends that a regular maintenance schedule be followed for all units and feels strongly that this will save the taxpayers of Yukon significant amounts of money in the long run. Regular maintenance in itself will save a considerable amount of funds now spent on extraordinary maintenance. Better maintenance will also have a positive effect on the vacancy rate in housing units. Units will require less time to repair and tenants will generally be more satisfied.

At this point, I will leave the remaining recommendations regarding the Yukon Housing Corporation to my committee colleagues. In conclusion, I strongly urge the government to give the recommendations the consideration which I feel they deserve. All Yukoners will be better off through this exercise in good government. Thank you.

**Mr. Byblow:** As another member of the Public Accounts Committee, I would like to add a few remarks to those of the chairman and the member for Kluane.

I was on the Public Accounts Committee for a couple of years in the past and I would like to say that I was very pleased to participate again this year. As pointed out by the chairman, the committee, in a very non-partisan, consensual approach has quite rightfully established itself as a very creditable and constructive force in the accountability and efficiency of government. It seems to me, and I think this is echoed by the member for Kluane, that participation in this committee affords a very comprehensive education in the administrative process of government. It is a type of education that we could all afford. Probably the most important feature is the accountability analysis that the committee undertakes and, quite correctly, the ultimate benefactor of that is the taxpayer-at-large, because, as we recommend and encourage improvements in value for money, it is the taxpayer who gains the benefit of that development.

As indicated by the chairman, I would like to touch on a number of recommendations, in particular the first eight, and a couple of recommendations on the Yukon Housing Corporation, specifically 16 and 17.

In the first several recommendations, the department under review was the Department of Government Services. In the year under review, 1981-82, the department underwent a number of changes as certain responsibilities were transferred from one department to another. At that same time, some new responsibility was added; specifically, the responsibility of the Handi-bus service. Because the committee had some difficulty in following the movement of these responsibilities along with the appropriated funds, the committee made the first two recommendations, as well as the eighth one. These three recommendations together are not very harsh; they reflect the fundamental need to expend the voted funds by this Legislature in line with the objectives that are stated in the estimates. At the same time, the committee felt there was a requirement to receive legislative approval when vast amounts of money — vast dollar amounts — move around from one department to another.

I think, in some measure, the third recommendation of the

committee has already been addressed in this year's estimates when we reviewed the government services statistical data provided in the estimates. I certainly see more thorough and comprehensive detail. This type of detail, as called for in the fourth recommendation is, however, not evident in this year's estimates for the public affairs bureau.

We have to wait to see how accurate information will be in the coming territorial annual report and other documents, the inconsistency identified in the sixth recommendation and touched on by the chairman when he spoke about the need for standardization of information and detail in various documents produced by this government.

The fifth and the seventh recommendations are interrelated and the subject of these recommendations did give some degree of concern to the committee. The area of concern relates to the project management of government construction jobs or capital projects. Because a rather loose and informal set of guidelines and authorities currently exist, there is the opportunity, and certainly the evidence, the committee came to realize, that there is confusion existing in areas of responsibility through the various phases of a project. Again, as I indicated earlier, the bottom line on something like this is that the taxpayer pays. He pays if there is no clear and decisive or understood procedures as a construction job moves from its conceptual stage through to completion.

In most cases it is one branch of a government that is project-managing a job for another. That adds to the opportunity for confusion. If there is not a standard procedure, if responsibilities of a client department are not clearly communicated, if decision-making authorities are even at all ambiguous, the job can lead to the kind of deficiencies that the committee recognized in the two projects identified in the seventh recommendation.

Those two projects, of course, were the Faro school and the Dawson City sewer and water projects. In these projects, there appear to be cases where questionable project management practices may have led to taxpayer grief; that is, additional expenditure well beyond the budgeted allocation was required in order to correct the deficiencies that appeared in the projects.

In the case of the Faro school, the foundation problems appear to be the result of a number of questionable decisions; possibly planning and authorities, again. In the Dawson sewer and water project, there appears to be some considerable frustration expressed by the committee, in that it has dealt with the project in past sittings and the promised reviews of the project have yet to materialize.

Two more recommendations I want to touch on are recommendations 16 and 17, relating to the departmental signing authority and the infamous chemicals inventory of the Yukon Housing Corporation. I would fairly note that it was with some considerable persistence and patience on the part of the committee that it was able to elicit the required information to confirm the unusually high chemical stock that exists with the corporation. As the two recommendations indicate, the current stock of some \$50,000 worth of furnace cleaning chemicals is indeed a very unusual situation, for a number of reasons. It would appear that there is a need to ensure that signing authorities are clearly described and clearly followed in any kind of supplies' procurement. There is a need to establish clear management controls in inventory regulations.

These are a couple of the observations implicit in the recommendations. Certainly, from an accountability point of view, that is, the wise use of public funds, there was good reason to raise a question. I think the committee, however, was quite pleased that in spite of what appeared to be some unorthodox procedures, there were steps being taken to prevent such a development as the chemical stock build-up from reoccurring. I am sure that the minister responsible, fully apprised of the matter, will take, or already has taken, positive and reinforcing measures to ensure that something like this does not reoccur.

I will conclude at this point. I would like to re-emphasize that the Public Accounts Committee process is a very credible one. I think it has, as its mandate, a common purpose: to ensure wise and efficient expenditure of public money that is voted in this Legislature. By the non-partisan and constructive approach of the committee, I want to say quite clearly that I believe everyone benefits; the participants of

the committee, the administrators who were questioned, certainly this Legislature, certainly the government and, ultimately, the taxpayer. I want to conclude by recommending adoption of the committee report. Thank you.

**Mr. Falle:** As one of the founding members of the committee — I think the chairman and I have been on it since its inception — I would like to say one thing about the process that I am really happy about. Since we started, you can see the progress from year-to-year, especially this time. I would like to congratulate the deputy ministers, the people who had to sit cross that floor and answer our questions. Some were troubled, some were confused and some were totally honest. I think they were all totally honest, but we were prying and we were digging. We were doing it on a non-partisan basis, trying to get the answers; and we got the answers.

Some answers we had to dig for a little harder than others. I think it must be fairly hard for a deputy minister to account to a committee like ours. Some of them, just being new in the job themselves, have to account for a year that preceded them. It is a hard job for them. I would like to tip my hat to them, and give them a bow of thanks from us, because they have allowed us to do the job.

**Mr. Phillipsen:** First, I would like to say that I believe it will give me pleasure to be able to have the last word for once in this House. I believe I am going to have it; therefore, I will not offend the sensibilities of the members of this committee with any long-winded dissertations. I will attempt to be as brief as my tenure on the board was.

Therefore, I would like to take this opportunity to express my pleasure for being able to fill in for the Minister of Education on two occasions during the course of the committee hearings. I found it an interesting and informative committee. I feel it is the type of committee that, when functioning at its best, protects the public's interests. Likewise, I found that it was a pleasure to work with the members of this Legislative Assembly as a cohesive group and I enjoyed working with the assistance of the House officers. I also found that it was a good experience having the federal government auditors here at the same time.

As I said, I will be brief. Therefore, in conclusion, I would like to mention to all members of this House that if anyone in this House knows of anyone needing any furnace cleaner, we have a deal for them.

**Hon. Mr. Lang:** I rise to just make a couple of comments in respect to areas that affect my responsibilities. The first one I would like to address is highways and transportation and the question of long-term planning. I should point out that the Department of Highways and Transportation is gathering data-based information for the purposes of planning and controlling capital construction and maintenance activities, and the recently implemented accident plotting system as well, has improved the activity reporting system in this regard. The deputy minister has written back to the committee asking the committee to reiterate its definition of planning so that it can come up with more information for the committee.

I would respectfully submit that perhaps you could deal with that item at the next meeting of your Public Accounts Committee: what, specifically, the committee is looking for from the department, because it is a very broad area and involves the question of interpretation by the individual providing the information.

In respect to the Yukon Housing Corporation, I appreciate the work that the Public Accounts Committee has done. In recommendation number 13 it states, "the corporation should restructure the presentation of information in the estimates and its annual report to provide an analysis of costs related to each program and to provide information on unit operating costs". The action to date is that the format of the 1983-84 mains have been altered in such a way that the revenues, gross rises and net cost to the government are provided for most of the programs. As well, schedule 2 of the estimates, on page 274, provides members with a listing by community of all units operated by the Yukon Housing Corporation as of March 31st, 1982.

It should further be pointed out that the annual report of the corporation for the financial year ending March 31, 1982 contains

information identical to the main estimates and, for that matter, I am prepared to provide members, if requested, with the average cost per unit by program, if the members wish that particular information.

Recommendation number 14 — that the corporation should examine by-law 5, the contract by-law, with a view to making amendments to prevent any unfair advantage for or the appearance of conflict of interest with former employees of the corporation — the action to date is thntly being sought to determine whether the post-employment actions can be regulated by the employer or whether such a regulation would be a contravention of *The Charter of Rights*.

On recommendation 15 — that the corporation should review its maintenance program to ensure the ongoing maintenance is carried out on a regular scheduled basis and that extraordinary maintenance is budgeted separately and carried on as expeditiously as possible — the action to date is that the 1983-84 main estimates were constructed, as they pertain to the maintenance of housing corporation units, to reflect three types of maintenance. One is preventative maintenance, the second is scheduled maintenance, and the third is unscheduled or emergency maintenance. It should be pointed out that in the past the corporation has held back parts of the scheduled maintenance money to anticipate emergencies. If they do not occur, of course, the money is diverted back to scheduled projects.

I guess there are a number of ways to loit. I am prepared to allocate a certain amount of money in the next budget to reflect, perhaps, an emergency contingency fund. I just want to point out to the member for Kluane that there are monies there; it is just a question of how they are identified. It is very difficult to schedule what amount of money is necessary if an emergency takes place. There is a big difference between a couple of frozen pipes and a house that is totally frozen up. These are the things that we face on a daily basis.

It should be further pointed out that the corporation employs local people in most communities to carry out the maintenance and cleaning functions. We have encountered some problems in obtaining good maintenance contractors in the communities from time to time, however, I am pleased to report to the House that, at the present time, it appears that we have pretty competent contractors in all our communities who are fulfilling the obligations that are requested of them.

On Recommendation No. 16, "The corporation should undertake to ensure that all officials with signing authority are well aware of their limits and that they remain within these limits when authorizing expenditures". Action to date, which I am sure you will be pleased to hear, is that the staff of the corporation have been advised in writing of their signing authorities as they presently exist. The financial section of the corporation has been directed to report any violation of the established signing authorities. The chairman of the Board of Directors advises that he has included the matter of signing authorities as an agenda item at their next board meeting of April 30th, 1983. Further to that, the responsibilities of local managers and their signing authorities and the implications of those signing authorities are topics which will be discussed at a seminar for all local housing managers that is scheduled to be held sometime in May.

Further to the infamous question of chemicals, the general manager undertook to report back to the committee the result of his investigations. We have taken the first step and that is signing authority. It is a very serious question. I should point out that we do not have all the answers as yet, but should be in a position, probably this coming fall, to report fully on the situation as far as these chemicals are concerned.

It should be pointed out that, further to that, we have sought the advice of the government's internal auditor and we are undertaking a thorough evaluation of the corporation's financial management and control and, where applicable, make recommendations for improvements as per the request of the Public Accounts Committee.

In Recommendation No. 17, it states: "The Corporation should take steps to improve the management control of its inventories". Action to date is that the corporation's staff has met with the staff



of government services to examine the inventory management system employed by the Department of Government Services. Also, a system of inventory control, similar to that used by the Department of Government Services, but modified to meet the immediate needs of the Corporation has been developed. The system of inventory control was implemented prior to the end of the financial year.

You can see that we have taken the recommendations of the Public Accounts Committee very seriously. We have taken steps to ensure that proper controls are put into place and, as indicated on one of the subjects, I will be reporting in detail back to the House, probably next fall possibly, if I have all the information.

In conclusion, I just want to say that I am sorry I have to follow the member for Porter Creek West, but it is a question of where you are in the line-up.

**Mrs. Joe:** I hate to disappoint the members for Porter Creek East and West. I had a chance to sit in on the committee as a substitute for justice.

I just want to say that I thought it was a very encouraging experience. I was able to learn a lot of things about how the inside of government works and had a chance to ask very many questions. It was encouraging to me, in the back, that recommendations were made on errors, because of some errors that were made in government and also some of the good things that were done.

I think that the public and the rest of the people should be encouraged by that alone; that this government can come up and deal with recommendations that are made by that committee. I certainly would not want to be a member of it, as a full-time participant, because it is a very hard committee and there are a lot of important things and recommendations that have to be dealt with and recommendations that have to be made.

**Hon. Mr. Tracey:** I would like to commend the committee for the work it did. I spent some time in the House listening to the procedures and I was quite impressed. I thought they were doing an excellent job. There are some recommendations made regarding my departments. First I will deal with Renewable Resources. There are three outstanding recommendations: 12, 13 and 15 and we agree with those recommendations and, hopefully, the next time the committee sits we will have them all answered for them.

**Mr. Speaker:** Order please. May we have quiet in the public gallery, please.

**Hon. Mr. Tracey:** Recommendations 1 and 2, on page 2, objectives of the Department of Government Services. Contrary to the analysis, I feel that we have clearly stated the overall objective of the department and it is to provide a central resource of services to all government departments and agencies. The committee feels that the Handi-bus is an exception and we should therefore revise our objectives and state these new activities. We disagree. In fact, Handi-bus is a service that we provide for the Department of Health and Human Resources. It is to look after a special group of people in the territory. We feel we should not have to redefine our objectives in order to supply that service. For example, Public Works also builds schools but that should not necessarily mean that we should redefine our objectives to say that we are responsible for educational facilities in the territory.

Recommendation No. 3, statistics: I agree that we should provide more precise statistical information and I have instructed my branch directors to develop new monthly reporting procedures in order for the administration section of Government Services to consolidate these into meaningful figures for the members. I am thankful that the member for Faro said that he was satisfied with the figures that were in the last budget. There was statistical information; something that we have tried to process as best as possible. As far as the Public Affairs Bureau goes, it is now not a part of my Department of Government Services. That would have to be addressed by the government leader.

Recommendation No. 5, project management: my deputy minister agreed with the committee that we would review and develop proper procedures in relation to project managements. We know that there are shortcomings in this area which we had inherited from the Department of Public Works and we are working as fast as possible to overcome those problems.

No. 6, the accuracy of information: the observations of the committee stem from the fact that the annual report contains estimated figures based on period nine, whereas the territorial accounts were based on figures from period 13, which led to the inaccuracy. In future times we will somehow assure that the figures that are published in the annual report will be identified as estimates if they are period nine such as we had in that one.

Recommendation No. 7, the Faro school: the Auditor General will be requested to do a management audit. We have done a lot of internal investigation regarding that and I will be interested in obtaining the management audit from the Auditor General. Under the circumstances, we do not have any choice except to accept the responsibility for all the deficiencies that happened in the school. I will make no excuse for my department in that regard, although it happened before it was a part of my department. I will make no excuses. I believe there were mistakes made by some people in my department but we will accept responsibility for them.

\* The rest of the recommendations, I think, have been addressed to the committee previously.

**Hon. Mr. Ashley:** In replying to the Public Accounts Committee Report, I would like to start with Consumer and Corporate Affairs, the Recommendation no. 19, a review of legislation.

This is being done very slowly, but it is being done. We do not have an overabundance of staff and that is why the process is moving slowly. In light of the new *Charter of Rights and Freedoms*, we are doing a quick review of our legislation and, in this, we will also be attempting to look at the enforcement policies that the department has jurisdiction over.

For justice, there were four recommendations made by the committee. In Recommendation no. 9, Yukon Courtworkers, the committee suggested that there was a direct relationship, basically, between legal aid and the Yukon native courtworker program. This we have had to take under advisement, mainly because the final decision has been delayed pending the final outcome of discussions with the Yukon Law Society over the future operation of legal aid programs. Until this is done, we will not be able to come up with any kind of recommendation on that.

The other three — the native special constable, the criminal injuries compensation and production of documents — were addressed in the budget. The production of documents has been started; it will take until about the 1984-85 estimates to come about, because they were compiled on a December 31 year-end, rather than the March 31 year-end, the government year-end. We have addressed all of these questions and thought it a very worthwhile exercise that the committee has gone through.

**Hon. Mr. Pearson:** I would like to start out by sincerely thanking the committee and also congratulating them on what I consider to be a job well-done, once again. I want to thank them, as well, for the kind words that they had for the deputy ministers. It is a bit of a traumatic experience for these deputy ministers to appear before a committee like this. It is the first time, for most of them, in their careers and, because it is something new and something that they are not quite familiar with yet, there is a bit of apprehension. I believe, as the years go by and as the committee demonstrates its level-headedness and responsibility, these apprehensions will slowly dissipate.

The one recommendation from this year that I have to address is Recommendation no. 4, the inadequate physical information in the public affairs branch. The comments and the observations are well-founded and well-taken. We will attempt to provide unit cost data, where we can. We agree that it would be of some value, and that recommendation, I am sure, will be one acted upon immediately.

I would like to refer, as well, to the recommendations not fully implemented in the PAC Report of 1981, highlighted on page 23, in respect to the delegation of authority. I recognize that the chairman of the committee also mentioned this particularly in his opening remarks.

It is my hope — I do not know whether it is going to be a fact, yet, but it is my hope — that during the course of this summer I am going to be able to get included in our legislative program, for next fall, a new financial act for this government.

37 If we can manage this, we should be in a very good position to be able to clearly delineate the delegation of authority, the lines of authority, the signing authorities and everything else. Our major problem is that things like *The Financial Act* and the *Yukon Act* are written for a commissioner-type of government and that is not what we have anymore. We are working under a different kind of government, a representative government, and it is an evolutionary process we are going through; but we think, now, that we are going to be able to put together an act that will make it clear to everyone exactly what the lines of authority and the delegations of authority in the territory are.

I appreciate that this has been long outstanding but I am sure, as well, that the members of the committee appreciate that it is a very, very complicated issue and one that we cannot deal with as quickly as we would like.

In respect to the outstanding issues from the 1982 report, on page 34, the revisions to the main estimates and to the territorial accounts, they primarily deal with format and I am sure members have recognized that the format of the budget is a bit different again this year. I hope we can quickly get to the point where we have a format that we feel is sufficient to make sure that the members of the House, as well as the public, can pick up the budget and understand what it is that we are trying to do. That is the object of the exercise and we will continue working on that.

**Mr. Penikett:** Just to close debate if I can, as it is the custom to respond very briefly to the comments of the ministers, I am extremely pleased about the general response to the committee. The committee will no doubt accept the offer of the Minister of Highways in respect to the planning question, but I will feel bound to point out to him that I think I understand the concern of the deputy, but I prefer to agree with the committee report that expressed concern about planning beyond the five-year framework being very informal. I think the original proposal really had very little more to say than to suggest that that was not a sufficiently long term for effective planning of a highway system. We appreciate that the accident plotting system is in place, but, in summary, I just want to say that I think we would be pleased to have a look at that again, as the minister suggests.

I am very pleased about the same minister's response to the Yukon Housing Corporation recommendations. The committee will no doubt take note of the Minister of Government Services' comments on the Handi-bus question. We are very pleased, of course, about his observations about the other recommendations which he has accepted.

We note with pleasure, too, the comments of the Minister of Justice and have noted his intentions in respect to Recommendation no. 9.

I, too, am pleased to note the government leader's comments about the continued improvement in the format of the estimates and the eventual hope that the ordinary citizen will be able to read both the accounts and the estimates and be able to understand what is going on. The government leader will, of course, understand why the delegation of authority has continued to be a very important issue for the committee; he indicates his own appreciation of that importance and I am sure that, it is possible to deal with that question finally and firmly this fall, the committee will be very grateful.

I, therefore, thank the treasury benches for their comments and reaction to the report. I would call the question.

*Motion No. 7 agreed to*

#### BILLS OTHER THAN GOVERNMENT BILLS

**Mr. Clerk:** Second reading, Bill no. 101, standing in the name of Mr. Penikett.

**Mr. Penikett:** Next sitting day, please.

**Mr. Speaker:** So ordered.

#### GOVERNMENT BILLS

**Mr. Clerk:** Second reading, Bill no. 11, standing in the name of the hon. Mrs. Firth.

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#### Bill No. 11: Second Reading

**Hon. Mrs. Firth:** Mr. Speaker I moved that Bill No. 11, *Employment Expansion and Development Act, 1983* be now read a second time.

**Mr. Speaker:** It has been moved by the hon. Minister of Education that Bill No. 11 be now read a second time.

*Motion agreed to*

#### Bill No. 12: Second Reading

**Mr. Clerk:** Second reading, Bill No. 12 standing in the name of the hon. Mr. Pearson.

**Hon. Mr. Pearson:** I move that Bill No. 12 entitled *Third Appropriation Act, 1983-84* be now read a second time.

**Mr. Speaker:** It has been moved by the hon. government leader that Bill No. 12 be now read a second time.

**Hon. Mr. Pearson:** Bill No. 12 is, in fact, the supplementary estimates, being the *Third Appropriation Act, 1983-84*, to the budget that we have under discussion in the House at the present time. Members will recall, in my budget speech, I said that we sincerely hoped it was going to be necessary, but once we knew that it was going to be necessary for money to be appropriated in order to enter into our agreement with the Government of Canada and the Cyprus Anvil Mining Corporation, we would do it by a supplementary estimate. This is that supplementary estimate. It will appropriate \$1 million to be used as assistance for the Cyprus Anvil Mining Corporation and its workers in Faro. It will be used to provide wage enhancements at \$60 per week per employee for 52 weeks for those employees engaged in the job creation programs. The balance of this sum is to be utilized in the delivery of apprenticeship training programs sponsored by the Canada Employment and Immigration Commission.

**Mr. Byblow:** I must rise in response to the government leader and briefly speak to the principle of the bill. I want to say that we heartily endorse the support that the bill affords the people who are returning to work at Faro. I want to acknowledge the earlier commitment of the government leader to, in fact, introduce this measure when it became appropriate to do so. I would like to add that there is much more at stake than simply the support to the people returning to work at Faro. I think any measure or contribution to rebuild the shattered Yukon economy is a responsible act and that this \$1 million exercise, added to the efforts of many other individuals and groups to bring about a reopening of that mine, can quite fairly be described as a complementary gesture. I think Yukoners are glad to see this measure of support and contribution; certainly my constituents are appreciative and the territory will benefit in the long term.

A number of questions come to mind, which can be dealt with in committee, and, by way of notice to the government leader, I would mention that they relate to the apprenticeship training program money that is identified in the bill, the nature of how the money will flow through a payroll system and certainly what monitoring this government will be doing to the smooth delivery of the program. In conclusion, we can wait for the answers on this but certainly a bill that sees \$1 million go to a very deserving riding, this side will be providing unanimous support to the bill.

*Motion agreed to*

#### Bill No. 13: Second Reading

**Mr. Clerk:** Second reading, Bill No. 13, standing in the name of Mr. Pearson.

**Hon. Mr. Pearson:** I move that Bill No. 13 entitled *Interim Supply Appropriation Act, 1983-84 (No. 2)* be now read a second time.

**Mr. Speaker:** It has been moved by the hon. government leader that Bill No. 13 be now read a second time.

**Hon. Mr. Pearson:** This bill is being tabled now in order to make sure that we do not get ourselves boxed in with respect to discussion of the budget before us. This will allow us to pay salaries and carry on the functions of government during the month of May, should we not have the budget passed.

**Mr. Penikett:** We, too, will support this measure at second



reading. I want to give the government leader my undertaking that I will do everything within my power, within this House — which is probably limited to this side — to make sure that there is no need for another such bill at the end of next month.

*Motion agreed to*

**Mr. Speaker:** May I have your further pleasure?

**Hon. Mr. Lang:** I move that Mr. Speaker do now leave the Chair and that the resolve into Committee of the Whole.

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

*Motion agreed to*

*Mr. Speaker leaves the Chair*

## COMMITTEE OF THE WHOLE

**Mr. Chairman:** I will now call Committee of the Whole to order. We will take a break now.

*Recess*

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

We will discontinue debate on highways and we will go to page 199, to the Department of Finance.

**Hon. Mr. Pearson:** I would like to introduce to committee the Deputy Minister of Finance, Mr. Frank Fingland, who will be assisting me as we go through this vote.

I want to say, too, that I appreciate the indulgence and cooperation of committee in allowing me to do this, this afternoon. I regret that the leader of the opposition is not going to be here. I know that he had a particular interest, but I did want to have Mr. Fingland with me when this vote was discussed and it is necessary that he be in Ottawa next week. So, on the off-chance that, if we went the normal course, we would be dealing with this budget next week, I do appreciate the opportunity to do it this afternoon.

This department is responsible, primarily, for the financial resources of the Government of Yukon. Its responsibility is to make sure that those resources are planned, utilized and controlled in a manner consistent with the statutes and the priorities of the government. It is a very, very comprehensive department, in that virtually all of the decisions made by government, as I was explaining yesterday in response to a question from the leader of the opposition. The Deputy Minister of Finance, of necessity, has to be involved in just about every deputy minister's committee that we have going, because virtually everything has to flow through this department, in the final analysis, because, after all, government does cost money and money is what Mr. Fingland is all about.

With those few short remarks, I anticipate some concrete discussion and observations from the opposition.

**Mr. Byblow:** I would like to welcome the Deputy Minister of Finance to help shed some light on the questions we will be raising. I trust the government leader will bear with me, this evening, as I attempt, in some fashion, to fill a large pair of shoes. The absence of the opposition leader certainly is noticed on this side.

I think that, while understanding the financial management of an hotel, say, would not be much of a problem, the understanding of the financial management of government and all its intricacies and relationships, I am sure, would confuse the best of us. I guess, as the government leader has indicated, we are dealing not just with this department, but with the comprehensive nature of government financing in total.

<sup>40</sup> In a general sort of way, I want to clearly understand the developing relationship between the two governments that takes place before we end up with a document such as the budget that we are looking at. I suppose, to narrow that down, I am curious about a number of things, such as the assumptions that are made when this government projects its financial needs. I am curious about the money that is owed to the federal government. I am curious about the exact nature of how this is a balanced budget. I am also curious

about the full import of last year's supplementary financing.

Probably that is the best place to start. As I understand what took place, some \$7.3 million was advanced in supplementary financing to finish out the year. Could the government leader, from that, or through his deputy minister, describe the full import of how that \$7.3 million flowed through the budget system? If it was clearly for programs to complete the year, then so be it. If it is, in some measure, to extend into budgeting for this fiscal year, I would like to understand that. If, in fact, some of it went to pay back certain obligations to the federal government — for example, the EPF programs — I would want to know that as well. So perhaps we could deal with the \$7.3 million to start with, and I leave it to the government leader.

**Hon. Mr. Pearson:** I hope the hon. member realizes what he is asking is about last year's money. We deal with this in the supplementary estimates. We can dig them out; I have them here. But it is irrelevant to this budget.

**Mr. Byblow:** I raised the question in more of a general way, because it is my understanding, and perhaps the government leader could correct that understanding, that a large portion of that money in fact flowed forward into this year and, as a consequence, it shows up in the nature of deficit financing, if you will, for this year. I am just trying to get a better handle on how that \$7.3 million was used and how it flowed forward.

**Hon. Mr. Pearson:** It was a supplementary to our 1982-83 federal grant. Really, that is what it was. It was money that was spent in 1982-83. Now, some of that money flows forward into 1983-84, but we do not know exactly how much yet. We estimated, if you will look on page 3, that we were going to have in fact a surplus of \$1.832 million. We do not know yet, because we do not have the final figures, exactly what that surplus figure will be. This money flows into our working capital and it becomes working capital this year. At the very outside, it probably will not exceed \$4 million, out of our total budget of \$130 million. We might be talking about having a working capital on April 1, 1983 of \$4 million, but that is still a guess. We just do not know at this point.

<sup>41</sup> **Mr. Byblow:** I appreciate that response because it does give an indication, in a general way, of how the money did flow. Perhaps I could put a more specific question this way: of those monies that were supplementary monies, was any portion of that used to retire any obligations to the federal government? Putting it another way, was any of the \$7 million used to pay back shared program debts or liabilities to the federal government?

**Hon. Mr. Pearson:** About \$6 million.

**Mr. Byblow:** Would it be fair to conclude that of the supplementary financing advanced prior to the close of last fiscal year the majority of it did not really flow; that it stayed with the federal government because it was their portion. I guess that is what I am really trying to deduce.

**Hon. Mr. Pearson:** No, that is not quite fair, nor is accurate, because in fact the money did flow. We made a conscious decision of what to do with that money. In spite of the fact that we paid off some \$6 million in debt, it should not be implied from that that we had to. It was deemed that one of our responsibilities is to pay our bills. If we do not pay them then it is going to cost us more. We have to pay interest on that money. We made a conscious decision, in fact, to make sure that we had our bills paid so that we did not get caught with the high interest rates. At that particular time, as all members will recall, interest rates were very high. It was a conscious decision made by us at that time that we would do this and still be able to protect our own cash position here in the territory.

**Mr. Byblow:** Extending from that, because the money flowed into the working capital of the government, it obviously would have created a much improved situation from several months previously, where the working capital was being depleted and there was some fear that working capital could reach a zero balance. This is probably an unfair question, but in a general way could the government leader indicate: what is the current working capital situation of the government? What shape are we in in terms of the cash flow?

**Hon. Mr. Pearson:** At this particular point in time, just

because it is a new year and federal funds are flowing, our cash position gets quite a lot better. The federal government is quite generous to us. We cannot fault them in respect to the method of the transfer payments. This is negotiated. They sign an agreement with us in respect to how the transfer payments will be made each year; when they will be made and at what magnitude. There is no doubt about it, it is beneficial to us during the first half of the year. That is when we spend most of the money, as well.

We have to be careful that we do not spend all of the money then because we still have our salaries to pay for the year-end and we still have contracts and commitments that we have to make towards the end of the year. This was our problem last August when we started making our calculations in respect to what could happen by the end of the year. We determined that we had to reduce our payroll by ten percent somehow. We thought of only two ways to do it; either lay off people or go on a nine-day fortnight. Otherwise, we were not going to be able to meet payroll from about February on and that would have been the end of it. We would literally have had to lay everyone off at that point because we were not going to have the money. That was a worst possible scenario. It did not turn out to be as bad a scenario as we thought, so as a consequence we ended up the year with a couple of million dollars of working capital. We were projecting, at one point in time, even with the nine-day fortnight, a working capital at the end of 1982-83 of \$500,000; something that is completely unacceptable, as the hon. member for Faro well knows. If you are trying to run a business or a government, you cannot function with that amount of working capital.

It is anticipated, in this budget, that our object is to end up this coming year with a working capital of \$5,000,000. That is probably still a bit skinny, but we do want to be able to participate with the federal government and with private enterprise and with the labour unions, and so on, in every way we can with respect to job creation programs. We are prepared to go into what should more likely be about a \$10,000,000 working capital. We are prepared to cut into that but I would think, if we are going to demonstrate real fiscal responsibility, we should end up the year with approximately \$5,000,000 in working capital this year.

**Mr. Byblow:** I appreciate what the government leader is detailing, and certainly he is very correct that there are a lot of good business principles in the management of any operation where you have money flow in and money flow out. Probably, just after the licence deadline, it affected cash flow to some measure in terms of the working capital on hand.

The next aspect that I want to completely understand is how the transfer payment from Canada is established. I want to understand this in terms of some of the assumptions that are obviously made by government when they are negotiating. The government leader will recall some questions we have raised about population estimates. I understand that what he has done is to create a worst possible scenario, and went on that basis, for obviously a very good reason, to solicit as much money as possible from the federal government in the transfer payment.

Could the government leader explain something about the negotiating process in terms of the assumptions that are made by which the transfer payment is established. I would also be curious as to how this is then advanced to YTG through the course of the year. Obviously, there would be something like advance payments or periodic payments. Perhaps the government leader could take some time to explain that process now.

**Hon. Mr. Pearson:** Probably the first thing that I should do is eliminate, from the discussion, the EPF payments, because they are something separate and apart. They are based on population statistics. It is an agreement that is held between Canada and all of the provinces and the territories. You will recall, a couple of years ago, there was a parliamentary committee here in Yukon who were looking at the federal government's agreement with the provinces and the territories with respect to EPF. These EPF payments are based on statistics and it is strictly a statistical game that is played.

It is the same with the income tax. Income tax is based on straight statistics. If I have this correct, in the case of income tax, it takes two years and, in the case of EPF payments, it takes three years,

before we have our final adjustment from the Government of Canada on what our payments are. In other words, during the course of this year, we will finally resolve our EPF payments for 1980. We will resolve our income tax payments for the year 1981, during the course of this year. Notwithstanding the fact that, every month for the whole 12 months of this year, we will get a transfer payment with respect to income tax and another one with respect to EPF from the Government of Canada. Those two things are quite separate and apart from the exercise of negotiating the transfer payment that is made with respect to our grant each year; quite different, quite separate, quite apart.

It is done in a process called IGC — intergovernmental committee — and involves a couple of branches of the Department of Indian Affairs and Northern Development; the northern branch and the finance branch. It involves the Department of Finance and the Treasury Board.

Of course, then MSSD, which is the social services envelope of the federal government.

These people sit down with a group, headed up by the deputy minister of finance, at least twice a year. Sometimes it can be more often but, normally, it is twice a year. This process will start, for next year, next week. That is the reason Mr. Fingland is here with us today instead of waiting for the normal course, because IGC gets started next week, in Ottawa. We normally send as many as half a dozen people to those negotiations. There will be Mr. Fingland, some of the people from his department and one or two of the deputy ministers of the Government of Yukon who will be along, as well.

We go armed with all of the statistics that we can put together with respect to base year, which is the year that we are in right now. We start out by saying to them, "Well, look, you gypped us last year out of this much money. Here is what you gave us last year, this was the base last year. You gave us this much money, but we feel, because of these other five issues that you did not consider seriously enough, we should have had in our base this additional money." If we can win that argument, then the base is adjusted.

Then, they starting talking about what are we going to do about next year? How much should the transfer payment be next year? It will be the base, plus these adjustments, plus whatever the agreed upon amount is going to be. I am sure they use every statistic imaginable, from the cost of living to the price indexing, to what they think is going to happen in the territory. It is a process that, unless you have been involved in it once — and I have been involved a couple of time, but unless you have been involved in it once — it is hard to describe, because it is very, very complex. It is a very complex process.

Now, we are hoping to evolve from this to a formula basis the same as the provinces. We are probably one or two years away from that yet. If a formula basis comes about, of course, then we will sign a long-term agreement with the Government of Canada that will say that a specific year is the base year and you will get this much or this little money each year, based on the formula. We are also in the process of trying to devise and agree with the Government of Canada to a formula that can be used. The provinces, of course, get their grants on the formula basis now.

**Mr. Byblow:** That was an excellent explanation. It sheds a lot of light on the process. I have several questions from what the government leader just explained. With respect to the income tax and the EPF adjustments that follow down the road two and three years respectively, in each year that this government is working, it obviously gets a base amount which is later adjusted, probably upwards or downwards, depending on what takes place in the Yukon scenario in years to follow. I would assume that a situation could take place like this: we have an established program financing that the government receives this year, based on some base, based on some population figure that is expected to be in place for this year but, three years down the road, an adjustment would be made for this year's EPF.

Given that this year's base EPF was calculated on the strength of maybe only 15,000 people, and, in fact, there were 15,000 people, there would be no need for adjustment. But, if the calculations were based on 24,000 people and then we returned to 15,000 people,

would the government, three years down the road, extract a portion of the EPF extracted from that year's payment?

**Hon. Mr. Pearson:** Yes, without any doubt; and that is exactly what is going to be happening here next year. However, I think I have to clear up one thing with the hon. member. The adjustments for EPF are quite small, relatively small; they are very easy to deal with, because the EPF payments primarily are based on population and there has not been that much fluctuation. Where we get into a lot of trouble is with income tax, because you are not only talking about population but you are talking about people's salaries as well, and you are talking about estimates that are made; not here, but in Ottawa. It is a rather interesting exercise. We know that we are going to be faced next year with a bill of some \$4 million in overpayment of income tax from last year from the Government of Canada; but we also know, and they know, that they are going to be faced with us having a bill to them of \$4 million the following year for underpayment. We signed an agreement that we do not have to pay it next year and it will be a write-off against what they are going to have to pay to us the following year. This is the first time we have done this; in fact, it is one of the benefits of having Mr. Fingland here as the Deputy Minister of Finance. I do not think that we ever realized before that we could do it; I do not think it has ever been attempted before. The federal government has gone along with this and it is a major thing. It helps our cash flow tremendously, needless to say. We can put that money to work for us in whatever way, but we do not have to pay it back this year and then collect it back from them again the following year. Four million dollars is the magnitude of what the adjustments can be in respect to income tax. EPF adjustments are very, very small.

**Mr. Byblow:** That is an observation I was going to make: if you have a major adjustment in any given year to either of those fixed financing programs, it could severely affect your cash flow, because if you are working at all close to the wire, it does create a pretty serious situation.

Extending from that, I want to understand on what basis, for example, this \$72 million transfer payment was calculated, in terms of population. We know that population statistics, particularly those facing Yukon, are very hard to predict. We have had a loss of some population in the last year and, by the worst possible scenario, the government leader has said that there could be a significant number more people leaving, which, as he explained earlier, will definitely affect that payment back from the federal government. What did this year's calculation of the transfer payment use for population projection, and why was it used?

**Hon. Mr. Pearson:** As I said in my budget speech, we use the worst possible scenario, and it was the one the federal government accepted and agreed that we should use. That worst possible scenario projected that we were going to have a decrease in population of some 5,000 people between last year and this year. Population is the basis that this budget is built on. Excluding the EPF and the income tax, population is not a real major factor. The major factor is the base and what you can do about getting your base adjusted.

One of the things that really helped us an awful lot was getting that supplementary estimate of \$7,300,000. It meant that the federal government was saying, at that point: we are adjusting your base for 1982-83 by \$7,300,000 as well. That becomes a very significant thing and that is why it is very important that these adjustments have to be made before you start talking about, or come to any agreement on, what the increase is going to be for the next year.

**Mr. Byblow:** I want to talk about the formula and base that the government leader is explaining. There is something of a contradiction here. On the one hand, you have a base used to establish the requirements for the next year, which is obviously calculated on last year's expenditure. At the same time, you are taking into the calculation a worst possible scenario of a tremendous loss of population. That would indicate the need for less money, if I were on the other side of the fence. I am just wondering how these two seemingly contradictory features are reconciled.

**Hon. Mr. Pearson:** That is why I say population is not a real major factor in the base. We are talking about programs. I guess there are three basic functions: there are programs, volume and

price. These are the three real issues that we deal with in IGC. We have the base and, then, what are the new programs that we are going to add to that base, and what about the volume. That means, are you increasing those programs in the base or are you decreasing them. Are you taking some out, are you putting in new ones.

The final thing, of course, is the price increase. Frankly, our price increase was limited to six percent last year and it is going to be limited to five percent next year. We know that, so we have to negotiate like mad on the volume and the program issues to try to make sure that we are getting our fair share. You will recall that the Minister of Highways, yesterday afternoon, in speaking to his budget for highways and transportation, indicated that there was a substantial increase. That was because we were able to show, at IGC, last fall, that they had not been giving us the proper amounts with respect to the formula that is supposed to apply for road maintenance north of the 60th parallel. That became a substantial amount of the \$7,300,000 that we received in that supplementary estimate.

<sup>47</sup> Some \$3.3 million of that was simply to pay us money that they should have paid in prior years to make sure that we were on the Jorgensen Formula, the way we were supposed to be.

**Mr. Byblow:** Given that this supplementary financing came into place and affected last year's base, which in turn gave the strength of argument for the base to use for this year from which to work. Just looking at the columns on page three, with the surplus of \$7 million, is there any direct connection with the surplus and the supplementary?

**Hon. Mr. Pearson:** No. In fact, our request to the Government of Canada — we got \$7.3 million — was in the magnitude of, I believe, between \$13 and \$14 million. That is what we went looking for in a supplementary estimate — about \$14 million. We got \$7.3 and we are very happy to get it because it is the first time we have ever gotten it. There is no relationship. They did not give us this money out of the goodness of their heart. Do not ever let anybody tell you so. They recognized that we were in a tough way. However, we had to substantiate every penny that we got. They did not give us any of this because it happens to be tough economic times in the Yukon Territory.

**Mr. Byblow:** By way of something like a summary on this, the only factors where population affect the transfer payment is in the income tax portion because EPF is identified separately. I suppose it is not identified separately in the transfer payment on page three. The transfer payment is calculated from a base, from programs that are going to be introduced, from the number that are going to be required to maintain that program, price increases as the government leader has said, and then, tacked on to that is an established income tax calculation. From that, you then have your total transfer payment?

**Hon. Mr. Pearson:** No. Income tax is a revenue. It is considered to be a locally raised revenue. On page three, income tax is part of the \$36,585,000 we anticipate in revenue over the year. EPF, of course, is \$5,000,377. The transfer payment is \$72,809,000.

**Mr. Byblow:** Going back to the concept of the evolving, or developing, formula that this government is engaging in with the federal government, could I put the question this way: the government leader indicated that each year there are adjustments made from the year previous for new introductions of some factors; does that then become the new base of the third year? We are not going to have adjustments, on adjustments, on adjustments; there must be some pattern.

<sup>48</sup> **Hon. Mr. Pearson:** That is correct. Once the base is established, that base is there. There are adjustments each year for the base, but the base automatically changes as soon as the adjustments are made to it.

In respect to the formula, I have seen projections made by the Department of Finance as to which year we should agree to as the base year for the Government of Yukon. You see, the federal government is insisting that it has to be a year where all of the accounts are closed, where we know exactly what the costs are for the year. It has to be a year that we can agree is going to be almost average for the territory; it cannot be at the height of a real roll and

it cannot be at the bottom of a real depression; it should be somewhere in the middle.

It is becoming very obvious to us that it is going to be highly critical to determine exactly what year that should be because, from then on, of course, we are going to be locked into that base. We anticipate that we are going to be able to negotiate some adjustments on an annual basis, but there will not be very many, and they will probably be itemized in the formula. If our population increases by 20,000 in a year, then I would suggest that we should be able to sit down with the feds and say, "Okay, come on. The formula just went out the window, we have got to talk about base". Or, if it should decrease by 20,000 people, the same thing. I do not think there will be very many of those issues that we will be able to negotiate after we have a formula in place. After all, that is what a formula is all about. It is supposed to be the thing that works.

It does not necessarily follow that you should use the year in which we received the most money as the base year. That is one of the interesting aspects of it. That does not really fly, either, because they can show you scenarios where you will end up getting less, in years ahead, because you got more in that year. It is very, very complicated. We have consultants working on this problem with us because, in spite of the high degree of technology that we have in the department, this is going to be very, very important to the territory in the years to come.

**Mr. Chairman:** Due to the time, I think we will now recess until 7:30 this evening.

#### *Recess*

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

We will continue with the Department of Finance. I believe we left off with Mr. Byblow.

**Mr. Byblow:** I want to note that the session before the break was most informative in terms of understanding the peculiar relationships that take place between this government and the federal government in establishing budgetary allocations. I want to clear up a couple of things, though. As I understand, the federal spending estimates that were tabled in the House of Commons showed the Yukon government getting \$99,900,000 in total. The distribution of that money, I conclude, is in the form of the \$72,000,000 transfer payment and \$26,000,000 towards the capital budget.

In some discussion of this, in the local media, I believe the government leader indicated that, of this \$22,000,000 that was an increase for this year over last year, half of it was to cover the increase in the federal repayments of the various cost-shared programs and the other half, of course, was to pick up the loss in revenue that this government would be incurring this year over last year. That sort of puts another kind of a capsule on what we were talking about late this afternoon.

Having recapped it in that fashion, I am still somewhat puzzled about this government's debt to the federal government on the cost-shared programs. If half of the increase identified in this year over last year was for the federal repayment of programs, then there must have been some tremendously large amounts of money in these cost-sharing programs owed to the federal government.

<sup>02</sup> Somehow, we do not really have a situation of money coming forward; it never got here. The government leader looks willing to explain this to me, and I appreciate it.

**Hon. Mr. Pearson:** No, it is not one-half. It is probably about one-third. Of the increase of \$22 million, probably about \$6.5 million was used for repayment of debt to the Government of Canada. Two-thirds, approximately \$15 million, represents the reduction in our revenue projected for this year.

**Mr. Byblow:** Would it be a fair question to then ask if, in the current relationship that exists between this government and the federal government, there is any outstanding amount unpaid on these cost-shared programs? I am talking about the RCMP agreement, the welfare programs, and so on.

**Hon. Mr. Pearson:** Over the course of a number of years, we have accumulated a debt of about \$4 million with the Department of

Health and Welfare in Ottawa. That debt has been accumulating over the years. All members are aware that the Government of Canada tells us each year what it is going to spend in Yukon in respect to the delivery of their portion of health care in the territory. We are expected to pay 30 percent of that. This is done without any by-your-leave; we are not asked, we are told. The Department of Health and Welfare says it expects to spend "x" dollars in the territory this year — "We are going to buy new cars, we are going to do this, we are going to do that" — and 30 percent of the cost of that bill is ours.

<sup>03</sup> That shows up in our estimates; then, about February in our fiscal year, they will send us a letter saying we under-estimated how much we are going to spend, and we are going to spend an additional \$1 million. Your cost, because you cost-share this by 30 percent, is \$300,000. I believe, since we were elected in 1978, we have told them each year, very politely, in respect to these supplementaries of theirs, to go fly a kite. They do not even ask us. This bill, if you wish, has been accumulating each year.

Now, we have told the Department of Indian Affairs and Northern Development, and Treasury Board, that we would be more than happy to pay the bill, if they will build this additional cost, which is a federally incurred cost, into our base and give us the money to do it. They still have not given us the money to do that. In addition to that, some \$4,000,000 that we owe in respect to health and welfare, we still owe about \$120,000 in disputed costs, in respect to our cost-sharing arrangement with the RCMP agreement. So those are the two outstanding debts.

I am quite confident the one on health and welfare will, in fact, be a major topic of conversation next week.

**Mr. Byblow:** That helps me clear up what is taking place in that kind of an exchange. I think, in our earlier discussion, we were talking about this \$7.3 million again from last year, of which a large portion, in fact, covered certain amounts owing by this government on cost-sharing programs. To wrap that up, only about half of it flowed forward into expenditure, O&M operations.

<sup>04</sup> **Hon. Mr. Pearson:** No, as I said before the break, we paid in excess of \$6 million in debts to the Government of Canada as a result of that \$7.3 million supplementary.

**Mr. McDonald:** I would just like to jump into the discussion for one brief moment. During the — I promise, I will be brief — recess, we informally discussed the constituent parts of the transfer payments — the base of the new programs — less so, the volume and price increase. I am wondering if the government leader, for my own clarification, could explain once again how this government negotiates new programs into the transfer payments and, I guess, to a certain extent, how the government justifies to federal officials the inclusion of these new programs. The government leader did mention that the sympathy of the federal negotiators was a factor. Is there a process or a procedure which is involved?

**Hon. Mr. Pearson:** No, there is not any real process or procedure. Primarily, the federal mandarins are naturally moved by the wishes of their bosses — the federal people in Ottawa — who decide which programs they would like to see delivered into the Yukon Territory. We have not experienced in the past all that much trouble negotiating into our rates our share of the cost-shared agreement, if it is one that the federal government has initiated or wants to initiate in the territory.

Where we do have a problem — and I will use an example that I know is close to the member for Mayo's heart — is when we go to the federal government and say we think it is time for this government to take on occupational health and safety as a program in the territory; and they say to us, "Fine and dandy, if you would like to do it, go ahead and do it, but do not talk to us about money".

<sup>05</sup> I guarantee the hon. member that, each year, we will be using this as one of our negotiating tools. This time around, we will be telling the federal government that we would like to put into place occupational health and safety, that we want to take that over and we want to take over the administration of labour entirely; we want to set up our own labour board. We would very much like to do this. However, the member for Mayo has to recognize that we have a very small tax base. As long as it is as small as it is at the present

time — unless we can talk the federal government into saying, "Yes, we agree with you, you should be into that program now, we are prepared to fund it to some degree" — I do not know what the degree might be. They might say, 50 percent, they might even say 100 percent; sometimes they do to get programs started. Then, that is the deal that is made. That program would then be built into the base. That would become an adjustment to the base and that would be something new added to it. I hope I have answered the question for the member.

**Mr. McDonald:** To what extent is the justification for the new programs based on the programs which are already funded within the existing federal-provincial arrangements? The intent of that question is to really discover whether or not there are any existing federal-provincial arrangements which we could be taking advantage of, of which we are not already.

**Hon. Mr. Pearson:** I do not know of any existing that we can take advantage of. I think we have pretty well all of the provincial-type programs funded here. One of the problems with something like occupational health and safety is that it is, in the provinces, a purely a provincial responsibility. The federal government does not contribute anything towards it because the federal government says, of course, that it administers the *Canada Labour Code* in the provinces. We do not know of any programs, right now, that we are not taking advantage of.

I might say that, as we go through this budget, it will become obvious that we have, as I mentioned yesterday, one person-year from this department who is now working out of our Ottawa office. That person works directly for the Deputy Minister of Finance here. He does not work for the deputy minister in Ottawa. He is a person-year from this government right here in Whitehorse. He is someone who, originally, started working for government here in Whitehorse some years ago and then moved to Ottawa. In fact, he was originally seconded to the federal government from Yukon. He became a federal employee and had been with the federal government, in the northern affairs branch, for a number of years, and has now come back to work for this government; a real asset, I believe. His first assignment, from the Deputy Minister of Finance, is to sit down and research exactly what all of the federal programs are that the provincial governments are taking advantage of.

**Mr. McDonald:** Just after the break began we discussed the new programs, a constituent part of the transfer payment, but we did not discuss volume, the increase or decrease of programs. Perhaps the government leader could just explain how this part of the transfer payment is established, and whether or not there is a fixed formula of some sort which establishes this sum of money.

**Hon. Mr. Pearson:** I guess probably one of the ones that comes to mind most quickly right now is: we have a cost-shared program with the Government of Canada in respect to energy subsidies. It is a well known fact that the cost of energy is going to go up. We would try to negotiate, under the volume section, an increase, rather than under the costs sections, because then we could get the thing twice. Again, if we had an occupational health and safety program in place and the government was sharing the cost with us in our base, and we could substantiate that we had an increase of 2,000 people in our work force, that would be an increase in volume. We could legitimately say to the federal government that the cost has gone up because of an increase in volume; there is more service to deliver. That is the context that the word "volume" is used in, in that case; you either have less or more service. In programs, of course, you either have programs or you do not; you add to them or take away from them.

**Mr. McDonald:** In order to justify an increase in volume you would have to demonstrate it in inflated uses of the programs?

**Hon. Mr. Pearson:** Yes. I would suggest that that is the criterion. You have to demonstrate the need.

**Mr. Byblow:** It is need I want to talk about next. In the description that the government leader gave about how the base is rebuilt year by year, he explained that the introduction of new programs formulates a new base for the subsequent year. I suppose my next question is something similar to what the leader of the opposition was pursuing with the government leader today in Question Period. We have the current situation where the budget is

set, based on all of the factors we have talked about for the past couple of hours, and we have a need identified in the coming year which the government is called on to participate in — it could be a program that it chooses to fund entirely on its own because, in its political wisdom, or whatever, it chooses to do that; or, it could be because the federal government has introduced a program to the territory that requires some cost-sharing.

**Mr. Pearson:** In the sense of the immediate, how does the government respond by way of policy to this kind of a demand? Tomorrow, Mr. Monro will fly in his Jetstar and he will say to Mr. Pearson that he has a program to put the mine at Elsa back into operation and is coughing up \$5,000,000, but wants the territorial government to cough up a \$1,000,000, or it will get the political blame for it not going.

I am making some fun, but I really want to know how this government adjusts to the immediate in terms of responding to financial demands, considering that the budget is already built.

**Hon. Mr. Pearson:** A very real question, and one that I am going to enjoy very much answering because this is actually the first year that I can recall where we have actually built a budget in this government with this kind of a contingency in mind, because we just do not know what we might be called on to do in the next year. That is why we have a \$7.5 million surplus. That is why we built that surplus into our budget.

We have been trying to make it clear that the only way that we can respond to these kinds of things is to want to be a responsible government. I submit, it would be easy for us to say, sure, go ahead. In the final analysis the Government of Canada will bail us out. It has been known to happen. There have been provinces that have gone far into the hole as a result of something like this. Alberta once, in Canadian history, went a long way in the hole very early on in its young life as a result of a mine disaster. It had a workers' compensation fund that the government was guaranteeing the payments on, like every government does. There was a mine disaster. It literally broke the Province of Alberta. They had to make the payments. The Government of Canada, in the meantime, bailed them out.

I do not think I am telling any stories out of school when I say we know that a couple of years ago that the Government of the Northwest Territories was in dire financial straits. They had a terrible time in respect to cash flow. In fact, they did not have any cash flow. The federal government bailed them out. Since the early 1960s, whoever has been running this government has had a reputation of operating the Yukon Territory in a fiscally responsible manner and that has meant that no government has ever gone broke. It is a very easy thing to do, because it is a lot easier to say yes than no to a lot of the requests that are made. A lot of the requests are very valid. You would love to say yes, but in the final analysis you know that you are going to have to go someplace else to find money, and then it becomes tough.

So the object of the exercise, this time around, was to put together a budget where we had some realistic expectations in respect to our revenue, we knew what our grants were going to be, we have realistic expectations of our revenue, we know how much money we have got to spend; then we made a conscious decision that we are not going to commit all of that money now. We are going to run this government, from an administrative point of view, to something less than the amount of money that we have left, so that when things like the NEED program and Cyprus Anvil come up, we will have the cash to be able to go into that kind of a program.

It felt very good to be able to stand up today and table a supplementary estimate. We have not even passed this budget yet but we tabled a supplementary estimate that we said, in the budget speech, that we would table, if we needed to, and we have more money that we can spend that way during the course of this year, as these programs come up. We want to be able to participate with the people of the territory in doing this.

**Mr. Byblow:** Extending from that, I want to just talk a bit about the business of balancing budgets. I think it is probably quite fair to say that, while this may be viewed as a balanced budget in one respect, it is constituted by a federal supplement of \$70 million.

**Hon. Mr. Pearson:** The member for Faro's whole conception

of territorial financing is completely erroneous, if he believes, for one moment, that one dollar of that \$72 million is a supplement. No matter how you cut it, we are a colony of Canada. That is what we are. This is what it costs the federal government to keep Yukon as a colony. That is a fact of life. It is not nice. I know the feds do not like us saying it, but that is a fact of life. No one in this territory, outside the federal employees, can ever think for one moment that we get anything from the federal government that we do not deserve. We work very hard for every penny that we get in this territory, and every Yukoner deserves it — every Yukoner, because we are doing a service to the rest of Canada just being here.

**Mr. Byblow:** I think the government leader misunderstood what I was getting at. The simple fact is that the budget that we have here does not consist of all revenue generated from within the territory. That is the only point I was making in terms of a balanced budget. If you accept that the money which flows through the transfer payment legitimately constitutes the expense to operate this territory, in that regard it is quite clear that we do have a balanced budget with, in fact, a surplus.

I want to understand something here, and perhaps it is more of an administrative thing, but we talked about the accrual of revenue from within the territory; that is, the income tax, the revenue from other taxation, the revenue from licensing, the cigarette tax, and so on — the revenue generated from within the territory. Complementing that, we have the EPF payments, or, I guess, the established program financing monies. The government leader explained the process of securing the transfer payment which, in this budget, constitutes some \$72 million. He was explaining how that \$72 million was negotiated on the strength of a number of factors, these factors having a lot to do with last year's expenditure and this year's intended expenditure.

Earlier I said that the full revenue is made up by monies collected from within the territory. What I am curious about is: what are the limits, within that structure, for this government to have latitude in changing its policy about where money gets spent. I recall that this government's choice to forego five percent of the corporate profit tax and this government's choice to change the property taxation on the school tax portion of that tax. This government was able, within the negotiated framework of money coming from the federal government, and its own revenue, to set new policy decisions in place; changing how the money was spent. That is the question. Within the negotiated framework, where you have made an argument that this is what you are going to be spending, you then have the ability or flexibility to change that. I want to understand a little more about that.

**Hon. Mr. Pearson:** EPF payments are something entirely different; they are separate and you must always think of them as being separate. They are not something unique to Yukon; all of the provinces and the Northwest Territories get EPF transfers on exactly the same basis as we get them in this territory. The EPF is something that is entirely separate. Income tax is up to each province and territory. Some of the provinces have rates as high as 60 percent of the federal tax and that is the revenue that accrues to that particular province. Ours is at 45 percent. It goes down as low as 38 percent, in Alberta, of course. That is something quite different again.

Once we have something built into our base, yes, it seems that we can change policies. That is part of responsible government. It is part of one of the things that we are beginning to appreciate more and more with the federal government; they are giving us more latitude all the time to be able to do this. If we want to increase our own revenues or to put in our own programs, of course, they will let us do that without any question. We have not run into any real major roadblocks. Of course, we have not changed policies with respect to programs very much since we were elected. Virtually all of the programs that were in place when we were elected are still in place. They have been enhanced, but, in the main, they are still in place. I cannot think of anything outstanding that we have really changed direction on in the past four years.

**Mr. Byblow:** I appreciate what the government leader was saying, but he really did not answer the question I felt I was asking about how this government is able to have the latitude in its

spending program, once it made the case and secured the funding under certain parameters or expectancies of expenditure. The \$72,000,000 was negotiated as a transfer payment based on an anticipated expenditure for valid programs, valid criteria and a number of factors. However, the government has latitude to effect a shift in priorities of programs or introduction of a new expenditure, based on its political judgment. How is that latitude able to take place?

**Hon. Mr. Pearson:** The \$72,000,000 grant, this year, is based on our base of last year. That base is not the number of programs; it is a dollar amount. Let us say, \$50,000,000. That is the number that goes in; this is the 1982-83 base, \$50,000,000. It does not say anything about programs. We say then, all right, we want to be upgraded with respect to the Jorgensen Formula and, for that, you owe us \$3,300,000. Fine, that goes in underneath; \$3,300,000. As I said, we got the \$3,300,000 for the Jorgensen Formula and we gave it all back to the federal government to pay bills for everything else. We did not use it to build roads.

We are talking about dollars. The program funding comes, of course, when the federal government wants to implement new programs or we want to implement new programs and they are identified as additions to the base. I would suggest that, at that point in time, the federal government really expects us to spend that money on those programs in that given year. After that, yes, I believe the federal government is prepared to treat us as a responsible government and allow us to make the decisions of how the money is to be spent in the territory, to set the priorities and to set the programs, provided that they do not interfere with their program delivery.

**Mr. Byblow:** Okay, I think I understand that. Essentially, what the government leader is saying is that the base amount in the transfer payment constitutes a lump kind of payment and then, with its other revenue and its persuasion to increase that base amount, it then can do whatever it likes with the remaining amount of the budget, as it were, after that transfer payment which, I assume, this government is obligated to spending as negotiated.

**Hon. Mr. Pearson:** No. Once again, we negotiated a lump sum payment of, let us say, \$50,000,000. We then convince them that there had to be an addition, to that base of \$50,000,000, of \$22,000,000, made up of new programs, increased volume with respect to the programs that are now in existence, increased price, and a reduction in our anticipated revenues, plus a reduction in our anticipated recoveries, plus a reduction in our anticipated recoveries for the year. That all becomes one lump sum. The only programs, per se, that the federal government are going to be interested in, it is our anticipation, are those where we have a commitment to meet the cost-shared arrangement with them, because they are actually funding us for that as well or, to a large extent, funding us for that as well.

**Mr. Byblow:** In the government leader's last remarks, he identified almost the real formula that takes place for the overall amount that comes forward. I want to move on to a question surrounding the third party loan money that this government handles. In the past, there was discussion respecting the outstanding amount of money for the development in, for example, the Hillcrest area and, because this money is not returned to the territorial treasury simply because the lots are not sold, there is a debt load being carried there. Again, I am curious how this fits into the scheme of federal financing arrangements. Is there interest being charged on that particular money? Is this money really a borrowing from the federal government? Perhaps the government leader would also like to explain the new arrangements that have come into place where the territory, I understand, can now go and solicit its own third party money as opposed to having to procure it through its federal financing arrangements?

**Hon. Mr. Pearson:** We are not quite in the position yet where we can go out and borrow our own money. That is going to change the situation a little bit but not all that much because, in the past, what we have done is to borrow money from the Government of Canada and pay interest on it. What we are going to do now is go to the open market and very likely have to pay a point or two of interest as a result of that. The



Order-in-Council has not been issued yet and we are in the process of finding an agent to do our borrowing for us. That is part of the procedure that is involved.

We carry a fair amount of assets, if you will, with respect to developed land; that comes out of working capital, that is where we pay for it. That is part of our working capital. We have to pay for it immediately when we do the work, and we have to pay for that out of working capital. That is how it happens. When we sell it, that money goes back into working capital. We sell it, of course, for development costs plus interest because, if we do not have that money in cash and are not able to put it in the bank or lend it to someone so that it collects interest then, of course, it is costing the taxpayers that interest. That is why we have to charge interest on it each year.

**Mr. Byblow:** On the same general topic, I recall reading an article in one of the local media that said the City of Whitehorse could borrow money cheaper than it could get the money from the territorial government. I am curious as to why, or how, this is possible. It appears to me that what was being said was that the City of Whitehorse could go out to the private market and solicit funding for its needs of borrowing at a cheaper interest rate than this government. That seems strange, almost as if the city had a better credit rating than the territory.

**Hon. Mr. Pearson:** I did not see the article. I do not have any idea of where it might have originated but, I would guess that it was from the acting mayor. I have no idea where he might borrow his money, but it is an interesting statement in that neither he, nor anyone else, knows how much we are going to be able to borrow money for, because we have not done it yet. It is purely speculation and, I would suggest, it is pretty wild speculation at this point.

**Mr. Byblow:** I am somewhat surprised that this government has not gone to the private market to borrow any money at any time for any of its needs to flow back to the municipalities.

**Hon. Mr. Pearson:** As I thought I had explained that, legislatively, we were not allowed to. We have never been allowed to borrow money on the open market. We have always had to borrow money from Canada. We did not mind that a little bit. We are in the process now of getting an Order-in-Council from the Government of Canada that will allow us to borrow money on the open market. The Government of Yukon has never borrowed money on the open market. The municipalities can, but we cannot.

**Mr. Byblow:** Then obviously what is happening, and perhaps where my confusion comes in, is that this government is changing that policy, and as the government leader says, they are in the process of making those necessary legal arrangements, I assume, to permit them to go out in the private market. I recall a press release, dated December 30, in which this was, in fact, outlined: that third party loan money would no longer be available through this government from Indian and Northern Affairs, as previously done. It would seem to me that in this developing policy, this government will be undertaking financial arrangements with banks and other lending institutions and channeling the money back through to the municipalities. Is that the correct understanding? Will it flow that way? Or will, in fact, municipalities go out and directly borrow from the institution with whom the government has made the arrangement.

**Hon. Mr. Pearson:** At the present time, the municipalities can go out and borrow from private institutions. We have suggested that it is very likely that once we get into the open market there is going to have to be a fair amount of money borrowed. I am quite confident that if we did the borrowing, not only for ourselves but for the municipalities as well — it is just that much more money that has to be borrowed and, of course, borrowing money is one of those horrible traps, the more you borrowed, the less it costs you — I would suggest that in the final analysis it is going to be better for all of the taxpayers of the territory if, in fact, we have one agency borrowing all of the money that the taxpayers need in the territory.

**Mr. Byblow:** In the changing policy that is coming into place, is there going to be a financial agent in the transactions for the government; that is, is there going to be a broker, or is the government going to adopt that role through its own internal finance

department?

**Hon. Mr. Pearson:** We are looking for proposals now. We anticipate that we will be retaining a broker.

**Mr. Byblow:** The current arrangements that this government has with the banks for handling its working capital, I assume takes full advantage of the available market to extract interest on any money that it does not use on a day to day basis or for a period of time, through the various opportunities: term deposits and so on. Does this take place? Is there interest accrued on accounts for that? Is it the policy of this government to circulate that money-making scheme, as it were, to more than one bank?

**Hon. Mr. Pearson:** If the members will go to page 206, Department of Finance, Revenue and Recoveries, under others, in the second item, interest on investment, we anticipate in 1983-84 that we will make \$1,800,000 in interest. That is down, I might point out, considerably, from our forecasts of last year of \$3,200,000, simply because money is tighter. We do not have as much working capital. We had to deplete our working capital. At any given time we can have money out, certainly to all of the banks in Whitehorse, and probably some of the banks in Vancouver or Edmonton. We take advantage of short term deposits, in particular; some longer, but not very often, because we normally need the money in the normal course of events. We usually do have a fair amount out on at least 90 days.

**Mr. Byblow:** Is it the policy for the government to utilize all the banks and on what basis does it do that? Does it do it just from a point of view of distributing the business or taking advantage of the best deal?

**Hon. Mr. Pearson:** We make phone calls and we say we have \$2,000,000 today. We phone the banks and see who is going to give us the best deal for that \$2,000,000, and that is where it goes. We do our banking with one bank. The Canadian Imperial Bank of Commerce is the government's bank, with respect to our banking services. However, with respect to investments, we limit them to chartered banks simply because of the risk factor. I do not think that we should be buying penny stocks with the taxpayers' money. We do shop for the best deal, on a daily basis.

**Mr. Byblow:** The other item I want to touch on deals with some consequences of the current economic depression, if you will. What appears to be the incidence of defaults and late payments of taxes? What appears to be anything that may look like a developing pattern on uncollected bills by this government? That essentially amounts to what can be called, in the business world, bad debts. What is the developing pattern in this area?

**Hon. Mr. Pearson:** We are not going to ascertain any sort of a pattern at all until, I would suggest, August or September. Tax notices go out and the collection date is normally at the end of June. We are not really going to know what is going to transpire, but taxes are one thing that people normally do pay.

**Mr. Byblow:** I assume the government leader is referring to property taxes which, to a large extent, are a loss to the municipality if they are not collected. I would assume that it is the corporate profit taxes, as it were, that are not collected but, then, if the company does not have any profit, there would not be any tax anyway. With the increasing incidence in bankruptcies, this then must be, in the government's projections, calculated as just less of a revenue to accrue?

**Hon. Mr. Pearson:** Yes. Interestingly enough, that is one of the projections that we do not make; the federal finance department makes those projections on our behalf. Once again, if the member goes back to page 3, our projected revenue is \$36,585,000, down from a 1982-83 forecast of \$44,181,000; or 18 percent.

**Mr. Byblow:** I believe I touched on this topic with the government leader before, but I did not ask specifically if there was any impact to the relationship with the transfer payment, and that is, the negotiations surrounding money that will flow out of the general economic development agreement. That, I would conclude from everything being said, is a completely separate ballgame, again, and it is more or less like some of the previous tourism agreements we have had, where it is strictly capital money — one time only, with no follow-up effect or follow-up impact to changing the base, or whatever. I guess all I want to clear up is whether the

EGDA will have any impact on the transfer payments or the financial negotiations on an operating and capital budget preparation?

**Hon. Mr. Pearson:** Yes, I can see them having some impact, in that, if we run into operation and maintenance costs for facilities that are built under a tourism development subagreement and those costs become ours, then they are an item where we can legitimately say to the government — and they may or may not agree with us — “Look, we are incurring \$100,000 of your O&M costs as a result of this building that was built last year under the tourism development agreement”, and depending upon how they are accepting that kind of an argument at that particular time, they might say, “Yes, okay, let’s put that in”. Or else they might say, “No, you wanted that and we went along with you, so you pay the O&M costs and you take that out of your own revenues”.

**Mr. Byblow:** That leads into the business of capital budgets and I am not sure if that has any place in this debate, but I do have just one general question and then I will leave it. I think previously the government leader has indicated that the system of preparing the capital budgets was unsatisfactory. There was not in place a kind of long-term method to secure funding on a consistent basis each year so that you could plan projects down the road and anticipate growth, and so on. Has anything changed in that set of negotiations?

**Hon. Mr. Pearson:** No, nothing has changed other than we have undertaken to have in place by this fall a 10-year capital plan for this territory. Once again, it is something that this particular department is working on, and working on very, very hard. They require, and are getting, the cooperation of the departments of the Government of Yukon in respect to this; we have also retained the consultant services to help us to make sure that we have the proper material ready for what I consider to be this very, very important program, because it will set the pattern for the transfers of capital funds to this territory for the next 10 years, probably.

**Mr. McDonald:** I just have a brief question, I think. In regard to the payment of income taxes, we all know that a large amount of work in the territory is seasonal work done by people who do not reside in the territory on December 31. The Minister of Highways has announced, for example, that a road maintenance program to assist placer miners might be conducted to the tune of about \$500,000. What sort of special dispensation do we get for this sort of special case? I realize that it is probably exacerbated by the high incidence of persons leaving the territory as a result of mine closures. Do we receive some sort of special dispensation for this reason?

**Hon. Mr. Pearson:** None whatever. The province or the territory that the person lives in at the end of the year is, in fact, the province or territory that gets the income tax share for that person for that year, irrespective of where they earned the money during the course of the year. They could well not have earned one cent of it where they live at that time. We suffer from it, but, so does the NWT. A good example, in fact, is the work that is done by Dome on the north slope at the present time, where they fly 737s full of people in and out of Tuktoyaktuk every day of the week. Those flights originate in Calgary, Alberta. It is very nice for the Province of Alberta but is really tough on the territories. It is one of the reasons that we think that it is imperative that we convince these companies that where there are going to be these fly-in operations, they should be considering using Whitehorse as the base, because then we would in fact be getting the benefits, if those people lived here.

**Mr. Chairman:** If there is no further general debate, we will then move to page 200, the Treasury. Maybe before that, we will stop for a short break.

#### *Recess*

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

#### *On Treasury*

**Hon. Mr. Pearson:** Frankly, I think now it is a case of going through this program by program, because I honestly believe I have

pretty well out talked myself in respect to what this department is all about. If the members have specific questions, I would be happy to try to answer them.

**Mr. Byblow:** I could not concur more with the government leader to endorse his fine education of the opposition, tonight, in financial matters. I do have a question on treasury. I notice that there is a person-year increase of five people. I would imagine that reflects something specific and I would like to know about it.

**Hon. Mr. Pearson:** I think probably what this reflects is the management skills of the Deputy Minister of Finance, because I can assure you, in spite of the fact that there is an increase of five person years, there is no increase in dollars in respect to those five person-years. It was, in fact, money that was in the department. It was being used for things like casuals and so on and so forth. Mr. Fingland did a massive reorganization of the department during the course of the year that resulted in identifying these five new jobs, but the money was always there for those jobs.

**Mr. Byblow:** The government leader refers to that as financial wizardry and I would only reflect that based on what he says that there then would be a requirement for some explanation about the personnel increase of 23 percent, which does not reflect with consistency the amount of personnel money. I appreciate that there was a lifting-off of casual people or contract people, or something, into the staffing of the department, but the dollars indicate that there was a substantial increase. Certainly 23 percent increase would more than justify a five person-year increase. Perhaps the government leader has some explanation.

**Hon. Mr. Pearson:** The major thing is the 10-day fortnight. This is a large department. There are a lot of people working in it, and the reflection of the 10-day fortnight, in fact, is a major factor in this department.

**Mr. Byblow:** There would be one question that would relate to this department, and perhaps I ought to have cleared it out in general debate. As I recall, there was some concern raised over the past year or two — in fact, there was a motion in the House a couple of years ago — relating to the 30 day accounts of clients of this government to whom they owed money. I would be curious as to whether or not this 30 day turn-around has been reinforced and if there is no problem in this regard.

**Hon. Mr. Pearson:** It is our policy that we pay in 30 days. Once again, there are some unavoidable exceptions, but they are not very many now. There have not been, to my knowledge, any substantial complaints for some considerable length of time. This was accomplished partly by this reorganization that was done. As far as I am aware, we are adhering to that policy except, as I say, for the odd case. We also have the other exception more and more these days; where people are in fact very financially strapped and they are carrying in their invoices and asking us to literally carry them through by hand for them because, they do, in fact, need the money very quickly. The department is trying to accommodate those kinds of requests within reason.

**Mr. Byblow:** In the instance of government personnel who travel, is the policy set within each department with regard to how they cover their expenses? For example, in the Legislature, there is a particular policy we use with respect to the expenses incurred by MLAs. In Health and Human Resources, I know that certain businesses permit what amounts to a charge account to the government. There appears to be no strict policy on this.

**Hon. Mr. Pearson:** There is a very, very, very strict policy on this. It is in regulations. There are public regulations in respect to travel expenses for all employees, including ministers; all employees of the government. That policy and those regulations are administered by this department. An employee who is travelling is given his ticket, or his ticket is purchased for him; on request, they are given an advance and then, after they return from their trip, they are required to fill out an expense account that is very specific. They either repay the remainder of their advance or get a cheque for the amount of money that they have spent in addition to the advance. There has always been a very strict policy in respect to travel regulations.

#### *On Administration*

*Administration in the amount of \$163,000 agreed to*



*On Accounting**Accounting in the amount of \$722,000 agreed to**On Taxation and Money Management**Taxation and Money Management in the amount of \$200,000 agreed to**On Budget***Mr. Byblow:** Why is this identified as a single line item? What does it relate directly to?**Hon. Mr. Pearson:** The department, in the reorganization, is actually broken-up into these specific branches: administration, accounting, taxation and money management, budget, fiscal relations and program analysis. They are actual branches of the treasury part of the department. There are identifiable groups of people in each of these branches.*Budget in the amount of \$166,000 agreed to**On Fiscal Relations**Fiscal Relations in the amount of \$180,000 agreed to**On Program Analysis***Mr. Byblow:** Before we clear the entire item, this obviously can be considered the administrative component of finance and, indirectly, of the finances of government. How close does this administration work with the policy coordination that we were talking about yesterday when we were discussing the inter-governmental relations and economic development branch?**Hon. Mr. Pearson:** Very closely. The program analysis branch does an analysis of virtually everything that comes to management board. Every paper that comes to management board, it is our hope, will have an analysis on it from a financial point of view, if you will, from the program analysis group.*Program Analysis in the amount of \$124,000 agreed to**Treasury in the amount of \$1,555,000 agreed to**On Insurance***Mr. McDonald:** Just by way of general explanation, I wonder if the government leader could briefly explain why the general insurance program was transferred to the Department of Government Services?**Hon. Mr. Pearson:** Because we thought that was the right and proper place for it. Insurance pertains exclusively to assets, and assets and asset control are part of government services. They have the responsibility for all of the asset control of this government. This department deals with money. Government Services deals with assets. It may be that we should, another year, change that title on this particular page. Although, with respect to Workers' Compensation, it is insurance; we are self-insurers with respect to Workers' Compensation. The supplementary pensions flow from that, as well.*On Workers' Compensation***Mr. McDonald:** I find these figures very interesting because, in the last budget, we had anticipated a 35 percent decrease; from the \$292,000 listed for the 1981-82 year to an anticipated \$190,000. The actual 1982-83 forecast, it appears, is \$315,000, which is significantly higher. I am wondering about the ability to forecast this particular line item. I realize that now we are anticipating yet another increase of 33 percent, another radical change, an increase of \$104,000 over the next year. I wonder if the government leader could just explain how this is forecast?**Hon. Mr. Pearson:** Very difficult — I do not mean, to explain it, but to make the forecast — because it is completely uncontrollable. This is 10 percent of the administration cost — 10 percent of our payroll in respect to administration cost — for workers' compensation. We pay that. We also pay the cost of compensation for our employees when and if they are injured and on compensation. The Workers' Compensation Board does not make those payments; this government makes the payments directly. I recall the discussion that we had in respect to the decrease, because the year prior we had had a particularly bad accident in Dawson City in respect to the skyline for Clinton Creek and we anticipated and hoped that that would not happen again; it turned out to be a very, very costly accident. It was a very serious accident for the workman involved. However, our experience is that this grows every year and so we are making our estimate based on that experience. If we do not spend the money, then that of course will be reflected and

that money just automatically goes back into working capital.

*Workers' Compensation in the amount of \$419,000 agreed to**On Supplementary Pensions**Supplementary Pensions in the amount of \$245,000 agreed to**Insurance in the amount of \$664,000 agreed to**On Grants***Mr. Byblow:** Just a simple general question: there is an anticipation of a one percent decrease in the amount of homeowner grants. This obviously is based on some projection. I would be curious about what it is.**Hon. Mr. Pearson:** As you can see, it actually rose very sharply between 1981-82 and 1982-83 and we anticipate that it will very much level off this year and, in fact, might even decrease a little bit over the course of this year. As I say, this is in fact a worst scenario budget.**Mr. Byblow:** I suppose this is fairly well concluding the finance estimates. Given that this budget is based on the so-called worst possible scenario, and given that it has an estimated surplus of \$7 million, of which \$1 million was used today, and we can see that we are probably not going to have a worst possible scenario by any measure of what appears to be taking place. Is it safe to conclude that the surplus could very well be much more than what is anticipated at this point in time?**Hon. Mr. Pearson:** I think we could assume that it is going to be a little better than we have anticipated. Once again, I hope that we are going to be able to participate in a large number of make work type projects over the course of the summer and next fall that will help people to get to work. I would think that in doing that our participation this year is in fact going to cost us money. We will reap the benefits of that though, there is no doubt in my mind, in future years.**Mr. Byblow:** Just one last item: has money been identified in this budget for any participation portion of programs that may flow from the economic development agreement?**Hon. Mr. Pearson:** No, none of that money has been identified yet. It would have to come out of that \$7.5 million. We anticipate, though, that a fair portion of that \$7.5 million will be used for that as well.*On Home Owner Grant**Home Owner Grant in the amount of \$761,000 agreed to**Grants in the amount of 761,000 agreed to**Department of Finance in the amount of \$2,980,000 agreed to**Department of Highways and Transportation — continued***Hon. Mr. Lang:** We broke off on this so that finance could continue its deliberation. I just want, for the record, to note the fact that we have three members of our House who are out organizing political meetings during the time of this House and I find that offensive. I think all members should be in their places unless they have very good reason, such as being out of town, in the case of the leader of the official opposition.**Mr. Byblow:** On a point of order, Mr. Chairman.**Hon. Mr. Lang:** And also the member for Hootalinqua.**Mr. Byblow:** In the first instance the minister is raising a subject that has nothing to do with business before the committee. And having given him the opportunity to raise the point, I think it would be fair to respond that the members, at their own discretion, have chosen not to be in the House tonight. As opposition, we are functioning, and the members are perhaps doing a job that has not been permitted in this House, and that is public input to a piece of legislation facing the House. If the hon. member wants to debate that issue, we certainly can.**Hon. Mr. Lang:** I want it noted for the sake of the record. I will get onto the budget now and I will debate with the member any time he wishes, inside or outside the house.

There was a number of questions raised in the highways budget by the member for Mayo, and I want to clarify them, because there were a number of serious questions asked in the rather flippant debate on both sides of the House.

I noted at the beginning that with the application of BST, it saved us about a million dollars in operation maintainance. In reality, it is half a million dollars. The other half a million dollars has to do with

special projects, as well as the fact that we are not putting down as much BST as we did last year. Therefore it is not going to reflect that much of a saving in our operation and maintenance budget for the forthcoming year. You will notice, I think, a difference of \$1,500,000 in the maintenance of the Alaska Highway this coming year as opposed to last year.

On the planning side, I want to point out the cost comparison, using an annual cost discount of 10 percent and assuming a five year life period for BST and 20 year life for bituminous concrete. The ratio of BST to gravel to calcium chloride to bituminous concrete — which is, in effect, asphalt — is one for BST; gravel, 1.39; calcium chloride, 1.44; asphalt, 2.7. It shows you the cost comparisons, and if you translate that into dollars per kilometer, for capital and O&M costs, they would be respectively: \$4,500 per kilometer for BST; \$6,200 for gravel; \$6,400 for calcium chloride; and, for asphalt, the actual costs of laying it would be \$12,000.

That gives you a cost comparison. I think that is what the member was asking the other day.

In respect to decentralization, I do not think I can add any more to it other than the fact that we are as decentralized as we possibly can be in the Department of Highways. We have camps throughout the territory and it is not our intention this year, unless something unforeseen were to arise, to be closing any of those down.

We did get into a debate, to some degree, in respect to snow blowers versus graders. I just want to clarify one thing; you really cannot compare snow blowers to graders, or snow blowers to bulldozers, in the work that they can do; or, one-way plows to graders.

It should be pointed out that the best method of plowing the highways in ideal conditions in the winter time, of course, is one-way plows on our trucks. We are converting slowly over to that method with the idea of having the same type of vehicle utilized for sanders.

On the question of highway signs and directional signs, we have just completed an inventory of traffic signs throughout the Yukon. We are going to be starting design layout for required signs for the purpose of safety over this coming year, and we expect to begin upgrading this summer. Changing individual signs, I think, would be counterproductive. We are trying to do a total layout for the highway systems.

<sup>22</sup> Casual workers is very difficult to define. I indicated to the House, yesterday, that I would bring some numbers to the House. On the average, it is 130 casuals per month, on a 12 month basis. That is very deceiving; that could be an individual who is hired for a day, for three days or a month. For example, to give a comparison, this past March I think we had something like 15 casuals. In July, we had 270. It is changing all the time. It is a question of what has to be done; whether the foreman in Teslin has to hire somebody to maintain a small culvert, or whatever the case may be. I just wanted to give an indication of the numbers we are talking about.

The member opposite asked about the amount of money being spent from the \$500,000 on the capital side of the budget. I indicated that we do not have our schedules set yet. I should point out to the member for Mayo that there was \$45,000 spent in the Mayo area last year, for the purpose of recreational land and maintaining placer highways. I just want to assure the member that we are taking every area into account. Whether or not there will be any money spent this year, in view of what has transpired in the past year, remains to be seen.

**Mr. McDonald:** I must say that I am really taken aback by the flood of information that has been laid before the House. I am quite grateful for it. I am sure that a sober review of the estimates will be a better record of our proceedings this evening. I think the minister answered practically all the questions I was asking, and I was not asking for much more detail than that. There was one residual question, which the minister alluded to, in the expenditure of the money to upgrade roads for the placer miners. He suggested that the government did assess the economic benefits. I am wondering to what extent that assessment was made and in what way it was made.

**Hon. Mr. Lang:** It is done pretty much in a visual manner and

is all subjective. It depends on the activity in the area. People come in to see the departments, or me, saying "Look, this is how much work is being done in the area", and we have to make decisions along those lines. We do not have that many, in reality, as far as major arteries are concerned. We have four or five throughout the territory, as far as maintenance is concerned. We do not do the small roads off the major artery. Therefore, I think it is fairly straightforward.

**Mr. McDonald:** I would like to go on to the various line items in the budget now. That is probably the best place in which to ask these questions.

#### **On Departmental Administration**

**Hon. Mr. Lang:** This covers the head office and central administration, including personnel, accounting, management and management support staff. The main estimate vote was \$369,000 and the \$43,000 increase to \$412,000 reflects the provisions for the covering of costs of casuals and vehicle rentals. The \$390,000 represents normal financing for the general expenditures. The increase in the main vote of \$216,000 was to cover costs for the purposes of people coming up and looking at the system and the return of the internal chargebacks is the result of us charging out to various federal departments the cost of the system. I guess the rest of it is pretty straightforward.

<sup>23</sup> **Mr. McDonald:** The minister stated yesterday, I think at least once or twice, that the highways branch administration was engaged in planning and did not mention planning for this particular department. The estimates themselves do delineate planning for this department but not planning for the highways administration. I wonder if the minister could just explain what sort of planning is engaged in here in comparison to that of the highways administration?

**Hon. Mr. Lang:** From the way I understand it, they are mostly intertwined. You have people in the top part of the administration who are not only doing the ongoing administration required for the running of the department, but also looking ahead in respect to what is going to have to be done not only in the short term but the long term. It is intertwined with the highways branch administration, which includes provision for the engineering design and construction management services and transportation to construction projects. They are interlocked. As I indicated earlier in debate, we have a five-year capital plan; we are looking at various elements of the department in respect to our road bed — the geotechnical side of it — and we are looking at our bridges.

I indicated last budget that we were hoping to have someone here to do a review of our bridges as far as stability is concerned, but it looks like it is going to be delayed for another year. I do not think we can go much longer without a serious look at the foundations. Therefore, there are various areas we are looking at on an ongoing basis, and one key area that does concern the department is the geotechnical side, at which we are looking at the present time.

**Mr. McDonald:** I wonder if the minister could explain for me the difference between the cost for the VHF trunk system and the VHF internal chargebacks. Page 180 shows an expenditure recovery of \$97,000; here we have, on VHF internal chargebacks, a recovery of \$200,000, which is obviously \$297,000, I would guess. And this is in comparison to the \$216,000 it actually costs for the operation of the trunk system. Can the minister explain why there should be a difference between the \$297,000 and the \$216,000, or have I misinterpreted the figures?

**Hon. Mr. Lang:** The VH trunk system, as far as reflection of costs is concerned, is, as the member indicates, \$216,000. The reason that is slightly lower than the forecasted costs in 1982-83 is because of the lower VHF systems maintenance camp contract cost. Internal chargebacks are the result of charging for the radios at \$50 per month, or \$600 per year times 20 radios, which is \$12,000. The increase is because we have 20 extra radios, and the internal YTG chargebacks are only shown in this section. If you look further along to where the member referred, recoveries from RCMP and the federal government are reflected in that particular item.

<sup>24</sup> **Mr. Byblow:** I have one question on the planning side. In earlier discussions with the government leader in Finance we were talking about capital planning over periods of time. We were

talking about the desire to put these long term planning programs in place from a financing point of view so that, in fact, you could put into place something that would be a desirable goal and objective seven, eight and ten years down the road. Does Highways have anything like a 20-year, a 10-year or a five-year overall plan with respect to the transportation grid system in the territory?

Can the minister say that three years from now it is the intention for that particular road to be upgraded. Is there some graph, some charge, some plan. Granted, that would always be under a state of change and adjustment, but what is the nature of the planning, in terms of time, on the transportation grid system in the territory?

**Hon. Mr. Lang:** I believe now it is five years. The rest is very general. For example, we are looking at the Klondike Highway, which was supposed to be a seven year upgrading program, and now I believe it is going to be 10 years because of the amount of money that is available. For another example, the Carcross road has been planned for upgrading, and, we are looking at Tagish, perhaps three or four years down the road, depending on finances. Those are all in place in a general sense.

Where it becomes complicated is when the Department of Indian Affairs and Northern Development — and I am not saying this from a critical point of view because I recognize that their budgetary process is much slower than ours — will come after we have our projects underway, and say, we have some extra dollars could we maybe put some dollars into this particular project, which we have no problem with. That could escalate a program. I would like to see, for example, the highway between here and Carcross, in view of the traffic, to be escalated above what we have planned this year. We are going to have to wait to see whether or not that happens.

**Mr. Byblow:** I guess what I am curious about in this planning sense is that, as changes take place, what priorities govern the shift of plans? I will use an example. We can see that for various reasons this government chose to shelve the Faro access road. That was intended capital monies that in the previous capital budget were announced — so many hundreds of thousands of dollars be expended in this year. That got put off. Did that money then go back to the general pot or did that get directed to another road? How do monies, identified for transportation upgrading, get juggled around in any change?

**Hon. Mr. Lang:** It is an annual event. We go through the sub-committee on finance — or what is now termed management board. The various submissions are put forward, and then we have to make decisions in respect to how many dollars in total are going to each department. Once we have figured that out, we have a general idea where those dollars are going. Then I, as a minister, have to sit down with my department to refine it a little bit more prior to the budget being presented in the House. It is an on-going annual event, whether we like it or not. I know that the department would like to have more money. I am sure I would like to have more money. I am sure the Minister of Tourism would like to have more money as well. It is a matter of having so many dollars in the fund — and the member for Porter Creek West would like more money, too.

It would seem to me that we do have our five year plan but, as the member has indicated, we are continuously updating it as things are accomplished. There is also the fact that new things arise.

**Mr. McDonald:** I have one brief question regarding the northern exploration facilities grants. Are there more applications submitted for this particular grant than are allowed within this estimate? The reason I ask this is that the Throne Speech touted this particular grant as one of the incentives to get the economy rolling and, in the year 1981-82, there was an expenditure of \$53,000. As an incentive, why would this expenditure not have been increased? For that reason, I ask the question whether or not more applications are submitted than would be allowed within this estimate.

**Hon. Mr. Lang:** It should be pointed out that we have \$500,000 on our capital side for the purposes of upgrading our major artery roads, which we will be discussing at some length; \$30,000, of course, is for individuals to apply for, which was adequate last year. Whether or not it will be this year, I cannot say. I recall that four years ago, when I was the Minister of Highways, I had to have a supplementary of something like \$80,000 because of

the number of applications. If it is not satisfactory, of course, I will have to go to my Cabinet colleagues to see if I can have more dollars.

It is an incentive for those people who are looking at new roads or air fields or wharves, or whatever the case may be; it is there and the principle is in legislation and in the budget. Subsequently, we can deal with the situation accordingly.

**Mr. McDonald:** Last year, on the same topic, I asked whether or not this particular grant was distributed on a first-come, first-served basis and, upon rereading that question this year, I realize that the minister had said, yes, in most cases it is. I am wondering what exceptions might be made to that rule?

**Hon. Mr. Lang:** It is on a first-come, first-served basis. If we do not have enough monies and we feel the projects are worthwhile, then we would have to evaluate them and see whether or not the government is prepared to increase the amount of money in that area.

#### *On General*

*General in the amount of \$390,000 agreed to*

*On V.H.F. Trunk System*

*V.H.F. Trunk System in the amount of \$216,000 agreed to*

*On V.H.F. Internal Chargebacks*

*V.H.F. Internal Chargebacks in the amount of a recovery of \$200,000 agreed to*

*On Northern Exploration Facilities Grants*

*Northern Exploration Facilities Grants in the amount of \$30,000 agreed to*

*Departmental Administration in the amount of \$436,000 agreed to*

#### *On Highways Branch Administration*

**Hon. Mr. Lang:** The main vote has been reduced by \$45,000, since the airport manager is provided separately under airport administration. The resulting \$503,000 was then increased, in supplementary estimates, by \$36,000 to \$539,000 to provide for various costs with respect to staff. The \$81,000 increase from \$539,000 to \$620,000 reflects the reinstatement of the 10-day fortnight and, overall, the additional transfer within the departments of a clerk-typist.

**Mr. Byblow:** In this departmental reorganization, who constitutes those 12 people? I do not want them identified by job description or anything. Are they highway maintenance foremen; are they people who are located here in Whitehorse? What is the type of personnel in this category?

**Hon. Mr. Lang:** I was wrong, I should have said a civil engineer as opposed to a clerk-typist, who was required for the purpose of technical, technical competence on ongoing capital works and to also help handle the anticipated increase of works funded under the engineering services agreement, through the Department of Indian Affairs and Northern Development.

*Highways Branch Administration in the amount of \$620,000 agreed to*

#### *On Highways Branch Maintenance*

**Hon. Mr. Lang:** Under the personnel costs in the forecast — I do not know if I corrected this last time — that figure of \$4,853,000 should actually read \$6,153,000, and the \$20,010,000 should actually read \$18,710,000. I should point out that the percentage change is based on the estimated expenditure to year-end and variations can occur, depending on the weather conditions, et cetera. We have broken this down by highway to try to give an indication of cost per year on the highways. It should be pointed out that variations generally have also caused some cutbacks to be made last summer, which required ad hoc cuts late last year wherever the work was not completed. This has caused some unbalancing in the funds distributed among some highways. I do not think I have much more to add to this; I think it is fairly straightforward.

**Mr. MacDonald:** I realize we are becoming pretty close to our time, so I will ask just a couple of general questions and we can leave the balance of this for tomorrow. First of all, perhaps briefly the minister could explain the drop in person-years and, yet, the 32 percent increase in personnel allotment.

**Hon. Mr. Lang:** Could you repeat that question?

**Mr. MacDonald:** The person-year allotment drops by one

person yet the personnel increases by 32 percent. I realize that part of that would be, I think, the introduction of the 10-day fortnight, once again. Nevertheless, that in itself would seem to be much less than the 32 percent increase. I am wondering if the minister could just explain that particular increase.

**Hon. Mr. Lang:** I indicated to the member opposite, it should read \$6,153,000 rather than \$4,853,000, so 32 percent is not the case, referring to the forecast for 1982-83 and relating to the estimates for 1983-84. There really is not that significant a difference in dollars. Of course, the difference that we are talking about goes back to the 10-day fortnight.

**Mr. McDonald:** I wonder if the minister could explain why the reduction on the Alaska Highway? I realize that the Alaska Highway, and I believe the Haines Road, are paid by the federal government. We get 100 percent plus a six percent administration fee for performing that service. I wonder why there is such a large reduction in this area for both of those roads, together? The Haines Road, I believe, is an increase but it is more than offset by a fairly large decrease on the Alaska Highway.

**Hon. Mr. Lang:** I indicated that the 1982-83 budget included the higher costs for the amount of BST that was being placed in 1982-83, and the lower estimate for 1983-84 reflects less BST being applied and an overall reduction in maintenance costs, as I discussed earlier in general debate, as a result of having surface treatment in those areas that we have already done.

Since I see we still have a quorum, I move that we report progress on Bill No. 5.

*Motion agreed to*

**Hon. Mr. Lang:** I would 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. Phillipsen:** The Committee of the Whole has considered Bill No. 5, *Second Appropriation Act, 1983-84* 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?

**Hon. Mrs. Firth:** I move the House do now adjourn.

**Mr. Speaker:** It has been moved by the hon. Minister of Education that the House do now adjourn.

*Motion agreed to*

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

*The House adjourned at 9:29 p.m.*

The following Sessional paper was tabled April 27, 1983:

83-3-14

Second Report of the Standing Committee Committee on Statutory Instruments (Brewster)