



The Yukon Legislative Assembly

Number 38

3rd Session

25th Legislature

HANSARD

Thursday, November 10, 1983 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Bill Brewster, MLA, Kluane

CABINET MINISTERS

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

GOVERNMENT MEMBERS

(Progressive Conservative)

Al Falle	Hootalinqua
Bill Brewster	Kluane
Kathie Nukon	Old Crow

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

Whitehorse, Yukon**Thursday, November 10, 1983 — 1:30 p.m.**

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

Prayers

DAILY ROUTINE

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

TABLING OF RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have for tabling a legislative return with respect to a question put forward by the member for Whitehorse West with regard to what areas are considered for development as rural-residential lots.

Hon. Mr. Philipson: I have for tabling the answers to the written questions asked by Mrs. Joe on April 25, 1983.

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

PETITIONS

Mr. Clerk: Mr. Speaker and hon. members of the Assembly, I have had the honour to review a petition, being Petition No. 5 of the Third Session of the Twenty-Fifth Legislative Assembly, as presented by the hon. member for Mayo, on November 9, 1983. Pursuant to Standing Order 66(1) of the Yukon Legislative Assembly, it is my responsibility to report whether a petition conforms to the rules recognized by the House. This petition does not conform in the respect that it requests an expenditure from the public revenue.

Speaker's ruling

Mr. Speaker: Pursuant to Standing Order 66, this petition may not be received.

Are there any introduction of bills?

Notices of motion for the production of papers?

Notices of motion?

Are there any statements by ministers?

Order, please. Are there any statements by ministers?

Some hon. Member: There are none.

Mr. Speaker: Order, please. Is the hon. member raising a question of privilege?

Mr. Penikett: No, Mr. Speaker.

MOTION OF URGENT AND PRESSING NECESSITY

Mr. Penikett: I rise on the provisions of Standing Order 28 to request unanimous consent to move the following motion: that this Assembly extend its congratulations to CBC Northern Service in Whitehorse on the occasion of its 25th Birthday.

Mr. Speaker: Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Penikett: Without further ado, I would ask that question be put.

Mr. Speaker: I am sorry, I will have to have a copy of the motion.

It has been moved by the hon. leader of the official opposition that this Assembly extend its congratulations to the CBC Northern Service in Whitehorse on the occasion of its 25th Birthday.

Hon. Mr. Lang: I just wanted to stand up, for the sake of the record, and commend Mr. Terry Delaney, who has put in the number of years in the service of the CBC as proposed in the motion. I think he should be commended for the work that he has done on behalf of the CBC, as well as the community.

Hon. Mrs. Firth: Hear, hear.

Motion agreed to

Mr. Speaker: Are there any questions?

QUESTION PERIOD**Question re: Resource revenue sharing**

Mr. Porter: My question today is directed to the returned government leader and it surrounds the issue of resource revenue sharing.

Q: In the negotiations concerning resource revenue sharing, what share of revenues is this government seeking from the federal government?

Hon. Mr. Pearson: As I have said in answers now to the leader of the opposition, the member for Mayo, the member for Whitehorse South Centre, now I will answer the member for Campbell the same question — it would be nice if they would all listen and then I am sure you, Mr. Speaker, would not get tired of hearing the same answer over and over again — negotiations, with respect to resource revenue sharing, are something that we have not entered into, specifically, with the Government of Canada. Resource revenue sharing is mentioned every year, at least during IGC talks. It is a subject that is raised by us; we have it as one of the long-term goals of this government, along with the attainment of responsible government. We believe resource revenue sharing is going to be necessary.

We have not entered into specific negotiations with the Government of Canada.

Mr. Porter: In view of the fact that the Minister of DIAND has decided, for the time being, not to proceed with the development of Yukon's North Slope, will the government leader be pressing DIAND's minister for a larger financial contribution in the Economic Development Agreement as a measure of compensation?

Hon. Mr. Pearson: The department has made it clear to us exactly what amount of money is going to be available, with respect to the Economic Development Agreement; that has not gone up any in the last few days.

I was talking to the assistant deputy minister of the department, the person responsible for negotiating this agreement with us at some point in time, in Inuvik, yesterday. He indicated to me that he thinks that they are close to a point where they can sign this agreement with us. However, there is absolutely no suggestion that it is going to be any more than what has been indicated.

Q: **Mr. Porter:** Gulf Canada has stated that, in view of the minister's decision regarding North Slope development, they may be forced to rely on the airstrip facilities at Herschel Island. However, they stated that the airstrip needs substantial upgrading. Is this government favourably disposed to Gulf's future use of the airstrip at Herschel, and will this government undertake the responsibility to upgrade the airstrip in consultation with federal officials?

Hon. Mr. Pearson: No, we will take the responsibility for Herschel Island, however.

Question re: Heritage Resources meetings

Mrs. Joe: I have a question for the Minister of Heritage and Cultural Resources. I understand that a series of community meetings is being planned for January and February of next year so that those communities may have input into the proposed policy recommendations for the protection and management of Yukon's heritage resources.

Could the minister tell us when this document will be tabled in this House?

Hon. Mrs. Firth: I am not clear which document it is. If it is the policy paper, I had not anticipated tabling it in the legislature.

Mrs. Joe: Another question for the minister. Could she tell us what action her department has taken to protect the archeological site in Riverdale, since summer's end?

Hon. Mrs. Firth: If the member is referring to the site that has had particular vandalism to it, we have been in touch with Mr. Jeff Hunston, who is the president of the Yukon Historical Museums Association. He is reviewing the damages and so on, and making some recommendations to us as to what we could do to prevent that

happening again. The Department of Heritage, the Heritage director in particular, is keeping in constant contact with Mr. Hunston to see if we could, perhaps, protect it a little better.

Mrs. Joe: Could I ask the minister what action her department has taken to protect the historic sites referred to by the Minister of Renewable Resources in the area of the Tatchun/Frenchman Lake campground development?

Hon. Mrs. Firth: That is something that the department is presently discussing. We have not made any firm decisions about it yet.

Question re: Banking services in Mayo

Mr. McDonald: I have a question for the government leader.

Two days ago, I informed the government leader of an offer made by the Imperial Bank of Commerce to the company in Elsa, regarding delivery of banking services in the Mayo riding. The offer was considered, at the time, unacceptable. Has the government leader investigated the situation and, if so, what action has been taken?

Hon. Mr. Pearson: I can answer the first half of the question and say, yes, we have started, not an investigation, but we are in contact with the Canadian Imperial Bank of Commerce, with respect to the proposal that they have put forward to Elsa.

I want to assure the member opposite that I do not think that the offer, in its entirety, is fair either, and I am quite prepared to make my feelings to the bank known; that is in the process of being done now. I am sorry I cannot report any further, at this point.

Mr. McDonald: For my own information, can the government leader say, specifically, what kind of influence the government is willing to wield to get banking services to the Elsa-Mayo district? Further, will the government be willing to go so far as to change bankers to one which is willing to provide the service to the Elsa-Mayo area?

Speaker's ruling

Mr. Speaker: Order, please. I think the second part of that question is making representations, but I will permit the first part of the question.

Hon. Mr. Pearson: It is sort of like the members opposite looking for job guarantees all the time. It is a very, very nebulous thing.

The Canadian Imperial Bank of Commerce is the banker that this government uses. We do that on a system of proposals that were issued to this government. We, on a periodic basis, go out and get new proposals. One of the criteria that is used is the services that are provided to the smaller communities in the territory by the banking companies. Certainly, this is always a consideration.

Mr. McDonald: This is not a representation, this is merely a question I am about to ask.

Given the difficulties the company in Elsa and the communities of Elsa, Mayo, Keno and Stewart Crossing have had in getting banking services, will the government permit the establishment of a community credit union?

Hon. Mr. Pearson: I would respectfully suggest that, if the member is very serious about such a question, he would put it in writing.

Question re: Transportation policy

Mr. Byblow: I have a question on transportation policy that I will direct to the government leader. With respect for the need to identify a transportation route to tidewater for the eventual shipment of Cyprus Anvil ore, can the government leader advise, to his knowledge, when the CTC report is expected to be completed and released, because it is well overdue.

Hon. Mr. Pearson: No. The CTC report is not well overdue. There are two routes to tidewater open to the territory at the present time. One, of course, is the railway through Skagway. The other is the highway through Haines. I have reported to the House, previously, that we anticipate getting a preliminary report from the CTC probably sometime in January. I do not anticipate anything

any earlier than that.

Mr. Byblow: My information was that it was due this month; at the end of last month, in fact. Cyprus Anvil has made its position quite clear relative to road haul over rail on the basis of economy. The government leader makes reference to the Haines Highway. I would like to ask him if his government has developed a position on the use of the Haines Highway as a viable route for the ore concentrate haul?

Hon. Mr. Pearson: That is, in fact, what CTC is doing. I must say that the Haines route has always been a viable route; it is part of, in fact, the contractual arrangement that the Government of Canada has with the Cyprus Anvil Mining Corporation. That route is there and it is available for them to use.

Mr. Byblow: Which road haul route does this government favour: the Skagway route or the Haines route?

Hon. Mr. Pearson: If I had been in a position to have favoured anything, I do not think I would have asked the CTC for their recommendations.

Question re: Seniors policy

Mr. Kimmerly: About Yukon Housing Corporation: last Tuesday, on page 631, the minister told us there was a separate seniors policy. Is the minister now ready to disclose it?

Hon. Mr. Ashley: I will be, very possibly next week, disclosing it to you.

Mr. Kimmerly: When and under what process was it disclosed to Yukon's senior citizens?

Hon. Mr. Ashley: The policy has mainly been in effect for a number of years. The board has just added some to it, now. That is a question I would have to refer back to the board and find out from the Corporation what has been done.

Mr. Kimmerly: I would ask the question, again. Under what process has the existing or old policy been communicated to senior citizens?

Hon. Mr. Ashley: The process used is when a person comes in and asks for the housing, it is done by the staff, at that point.

Question re: Westwater Research report

Mr. Porter: Last night in committee, I asked the Minister of Renewable Resources a question regarding the Westwater Research report on Yukon's water resources. The report cited statistics on the estimated population of various species of game in Yukon. Can the minister confirm if the data contained in the report was based on information supplied by officials in his department?

Hon. Mr. Tracey: I will give the member the same answer as I gave him last night. I am not aware of where they got their information, but I would suspect that a great deal of it came from my department.

Mr. Porter: In our discussions last night in committee, we did not address the program designed to reintroduce the wood bison specie to the Nisling River area of the Yukon. Can the minister bring the House up to date on that particular program?

Hon. Mr. Tracey: That would be fairly lengthy and, if the member wants an answer, he should give me a written question.

Mr. Porter: Is there any concern in the mind of the minister on the question of the wood bison specie competing adversely with the indigenous species of the Yukon wildlife population?

Hon. Mr. Tracey: None whatsoever.

Question re: Wife battering, working group on

Mrs. Joe: I have a question for the minister responsible for the Women's Bureau. A federal-provincial working group on wife battering has been established to study the problem of wife battering in Canada. Could the minister tell us if his department has a representative on it?

Hon. Mr. Ashley: There are two representatives from this government on that committee. One is from the Women's Bureau, Shelagh Rac, and the other is Maxine Kehoe from Health and Human Resources.

Mrs. Joe: What are the responsibilities of those two people?

Mr. Speaker: I would ask the minister to be very brief as these kind of questions could entail a very lengthy reply.

Hon. Mr. Ashley: I believe the question was mainly answered last night by the minister responsible for health and human resources. As far as this committee goes, what this wife battering review group is, is that ..

Some hon. Member: Person battering.

Hon. Mr. Ashley: Person battering. What is happening is all the provinces and territories are participating in a review which will be presented to the minister responsible for the Status of Women at the next AGM annual meeting to be held at Niagara on the Lake in May.

Elizabeth Lane has recently been hired to conduct our Yukon review and the report will basically review all existing programs and policies which provide assistance to battered women, identify gaps and list recommendations for action which would provide new directions to help these women. I could go into much more detail than that.

Question re: Farmer, definition

Mr. McDonald: I have a question for the Minister of Agriculture. Can the minister say if the government is any closer to inventing a definition of a bona fide farmer and a definition of a hobby farmer and, if so, what progress has been made?

Hon. Mr. Lang: It is very difficult to come up with a definition of what is a farmer and what is not a farmer. I submit that the member opposite, if one were to meet him initially, the member for Mayo might be thought to be a farmer.

Laughter

It seems to me, from my perspective, our land regulations are set up in such a manner that for those who are going into that type of industry in a fairly intensive way, land will be made available. If they are going into the hobby farm type of venture, then they are confined to a less amount of land. I do not have any intentions of my department going into detailed research, at great cost to the taxpayers, to try to define the differences. What we are interested in is people who are interested and who are prepared to commit themselves. We are then prepared to provide, through the methods that we have put in place, land to get on with the job.

Mr. McDonald: I would respectfully suggest that the research has been done by many other provinces in the past.

Regarding the distribution of lands, is there any qualification that a farmer must receive a certain amount of income from the land after it is developed, before he receives any agricultural land?

Hon. Mr. Lang: To actually receive title, the land has to be productive. Of course, that is a subjective judgment in itself and maybe the member opposite has something we can look at, with respect to looking at them having to come forward and show us some financial type of remuneration for the efforts they have done, as far as crops being made viable.

He has the regulations; he knows exactly what our policy is, so I cannot see the purpose of the line of questioning, really.

Mr. McDonald: I think the policy is a good deal more fuzzy than the minister suggests.

Of course, he is aware that a distinction is often made between various classes of farmers for the purposes of taxation, in order to encourage greater farming activity. Has the minister considered this option and, if so, what progress has been made to develop a philosophy?

Hon. Mr. Lang: I want to assure the member opposite that we are trying to promote agriculture here in the Yukon Territory, as opposed to his comments.

With respect to his comments about the policy being fuzzy, I might make an adverse comment back to him, but I do not think that is the purpose of Question Period. There are areas in the tax regime at the federal level that could, perhaps, be made available here. Hopefully, we can have some answers to that question over the course of this winter.

Question re: Whitehorse ski chalet

Mr. Penikett: I have a question for the minister responsible for recreation.

On October 25th, I asked the minister some questions concerning the Whitehorse Ski Chalet. Can the minister report on any further

discussions or negotiations with the Ski Club for financial assistance?

Hon. Mrs. Firth: No, we have had no further discussions.

Question re: Schools, junior and senior high training

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

In speaking to the School Committee Conference last weekend, the minister made reference to a concern about retaining junior high students in the same physical proximity with senior high students. Can the minister advise on her concern: is she advocating separation or assimilation of students on that question?

Hon. Mrs. Firth: I was not advising or displaying a concern that the department or I have — or the government, in the form of my colleagues. What I was simply saying was that some concerns had been brought forward to me and to school committees, from parents, regarding the junior high educating system that we were using in Yukon. We, then, announced that we were going to be embarking on a questionnaire system — that we would be allowing the education council to peruse first — that we would be sending out to parents regarding junior high education and the delivery of that system.

Mr. Byblow: I thank the minister for her answer. I would like to ask her, on the subject of the questionnaire that she mentions, what is the extent of that questionnaire, in terms of its circulation, and how is it going to be done?

Hon. Mrs. Firth: The questionnaire will be circulated to all parents in Yukon. I am not sure of the exact details, but we had some decisions to make as to whether it would be only junior high parents who would receive the questionnaire, or whether it would be all parents; we decided that it would be all parents. The finer details can be discussed with the education council.

Mr. Byblow: Just a final brief question on the subject: when is the questionnaire going to be put into circulation, in terms of a timeframe: before Christmas, after Christmas, this winter?

Hon. Mrs. Firth: I would anticipate after Christmas.

Question re: Child welfare

Mr. Kimmerly: I have a question about child welfare. I understand that the child care costs for apprehended children are completely recoverable from the federal government. For alternate programs of child care not involving apprehensions, are those programs also recoverable on the same formula and, if not, is there any negotiation to make them recoverable on the same formula?

Hon. Mr. Philipsen: I will have to take that question under advisement.

Mr. Kimmerly: I would ask a supplementary that the minister may also wish to take as notice. Is expenditure for child care facilities established for the purpose of an alternate to apprehension recoverable from the federal government? As a final supplementary, are there negotiations with the CYI or any bands actually underway on this issue?

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

GOVERNMENT MOTIONS

Motion No. 42

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

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

Hon. Mr. Pearson: Yes.

Mr. Speaker: It has been moved by the hon. government leader that this House recommends to the Minister of Indian Affairs and Northern Development the appointment of Anthony Fekete and the reappointment of Keith Byram to the Yukon Territorial Water Board for a three-year term.

Hon. Mr. Pearson: I am sure all members will recall that, when we sat at the last session, there was a similar motion except that it was in the name of Mr. Ron Holway from Dawson City and Whitehorse and Mr. Keith Byram for reappointment.

Just shortly after we rose from that session, I regret to inform the House. Mr. Holway suffered a physical setback, quite serious, and he found it necessary to advise us that he would not be able to act with respect to the appointment that we had proposed. We went back to the Chamber of Mines and to the people who we had consulted with, and Mr. Fekete's name has been put forward in place of Mr. Holway's.

Mr. Kimmerly: I wish to speak in a general way about the process on this motion and these kinds of motions. There are several important implications, I believe. First of all, it is well-established and it is even confirmed in a court now that the Water Board is a semi-judicial, or judicial, board, and the members act in a judicial capacity, at least in large measure. That is the first important fact to establish.

Secondly, the appointment is not per se an executive council appointment; it is an appointment of this House. The appointment of judges in the traditional courts, of course, is an executive council appointment, but the process is well-established with screening committees and consultation with all of the necessary bodies and persons.

In this case, the appointment is more of a political appointment by definition in that it reaches the floor of the House and we, as members, of course, are required to vote on the matter; or it is our duty to do so. In cases like this, it is necessary in order to vote in an informed way, to inform oneself, of course. For that reason, it is my serious recommendation that for this motion, indeed, and for other motions in the future, that the names be put forward to the Rules, Elections and Privileges Committee.

I suggest that members be given an opportunity to ask questions of the various recommended people. In this case, it is our understanding and we are told that the names, or one of them, anyway, is the recommendation of the Chamber of Mines.

Obviously, constitutionally, we are not only a rubber stamp of the Chamber of Mines. It is our duty to look at the qualities of the individuals and to decide on our vote responsibly. For that reason, I ask the government to consider establishing a process of a committee enquiry for this motion and, indeed, future ones.

Mr. Speaker: Is there any further debate?

Are you agreed?

Some Members: Agreed.

Some Members: Disagreed.

Mr. Penikett: Division, Mr. Speaker.

Mr. Speaker: Division has been called. Mr. Clerk, would you poll the House on the second presentation of the question.

Hon. Mr. Pearson: Agreed.

Hon. Mr. Lang: Agreed.

Hon. Mrs. Firth: Agreed.

Hon. Mr. Ashley: Agreed.

Hon. Mr. Philipson: Agreed.

Hon. Mr. Tracey: Agreed.

Mr. Falle: Agreed.

Mrs. Nukon: Agreed.

Mr. Brewster: Agreed.

Mr. Penikett: Disagree.

Mr. Byblow: Disagree.

Mr. Kimmerly: Disagree.

Mr. Porter: Disagree.

Mrs. Joe: Disagree.

Mr. McDonald: Disagree.

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

Mr. Speaker: It would appear that the yays have it and the motion has carried.

Motion No. 42 agreed to.

Mr. Speaker: We will now proceed to government bills.

GOVERNMENT BILLS

Bill Number 28: Third Reading

Mr. Clerk: Third reading, Bill Number 28, standing in the name of the hon. Mr. Pearson.

Hon. Mr. Pearson: I move that Bill Number 28, entitled *First*

Appropriation Act, 1984-85, be now read a third time.

Mr. Speaker: It has been moved by the hon. government leader that Bill Number 28 be now read a third time.

Motion agreed to

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

Hon. Mr. Pearson: Yes, I move that Bill Number 28 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the hon. government leader that Bill Number 28 do now pass and that the title be as on the order paper.

Motion agreed to

Mr. Speaker: I declare that the motion has carried and that Bill Number 28 has passed this House.

May I have your further pleasure?

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

Mr. Speaker: It has been moved by the 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 call committee to order.

At this time, we shall take a short break.

Recess

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

We will proceed with Tourism, Heritage and Cultural Resources, page 30.

On Tourism, Heritage and Cultural Resources

Hon. Mrs. Firth: Operation and maintenance, \$342,000, was mainly for six percent salary adjustments; we had grants payable to library boards, which was another six percent as well; hiring of a museums advisor that had previously been delayed; paying a term employee and hiring a tourism planning officer. Some of these special projects are included in the O&M detail as well as the capital detail.

The largest portion of the capital expenditures of \$1,620,000 is for the Tourism Industry Development Subsidiary Agreement — that was to finish off the four-year Canada-Yukon Tourism Agreement that we had with the Government of Canada; that was for \$901,000. Facilities improvements \$150,000, and visitor reception centre ground work \$126,000; the old Territorial Administration Building in Dawson \$125,000, and tourism development projects \$150,000. Those are the largest fundings in the capital expenditure detail of the supplementaries.

Mr. Byblow: Just to identify in the O&M portion, tourism planning officer: could the minister elaborate on the nature of that position in that it is required to come through the supps as additional expenditure?

Hon. Mrs. Firth: Yes. When we were having the capital budget debate, I had indicated to the member that the federal government had changed their method of delivery of funding to the provinces and the territories. When they did that, they also had to look at some extension of their staff within Whitehorse that had been here for some time working in the tourism area — and that is federal government tourism staff. We had a tourism planning officer seconded to us under the Canada-Yukon Tourism Agreement — we had a couple of positions seconded, but this one in particular had been seconded to us. We found that when the agreement officially lapsed, the other position that had been seconded to us was taken away from us and hired by the local federal government office. The same thing was happening with this tourism planning officer. So we identified the funding and, as a government, made the decision that we would hire that individual — he was particularly good; Akio Saito is the individual in question. He has a

lot of expertise and has done a lot of good for Yukon and for the development of tourism. So, rather than federal government taking him away from us, we made the decision that we would hire him under the tourism department for the Yukon territorial government.

Mr. Byblow: The person to whom the minister makes reference, Akio Saito: is he now permanent staff of Tourism Yukon?

Hon. Mrs. Firth: Yes, he is.

Mr. Byblow: When the minister was in Teslin, she announced a local museum grant for \$16,000. Would that be in the the O&M portion of the supps we have here today?

Hon. Mrs. Firth: I am sorry, that was which museum branch? I did not quite hear.

Mr. Byblow: Teslin Museum branch.

Hon. Mrs. Firth: I believe that that is in the O&M portion.

Mr. Byblow: The Minister of Municipal and Community Affairs said he would get me an updated list of the projects announced and their current status. Perhaps he can respond to that?

When the minister was in Destruction Bay, she made reference to the possible purchase of Silver City, with a view to developing it as a tourist attraction. Could the minister elaborate on that intention in terms of cost, in terms of timing, and current status of any negotiations and with whom?

Hon. Mrs. Firth: We are just pursuing Silver City. We are looking at it right now. We are in the stages of deciding whether we will be purchasing it or not. It is privately owned at present by an American individual and I am not sure if the department has been in consultation with him yet or not. I believe it has. We have not made any definite plans. It is just in the very preliminary stages. The reason we have decided to pursue Silver City is to go hand-in-hand with the development in the Kluane area, particularly of the federal government's initiative in developing the road to the Kaskawulsh Glacier and making that a tourism attraction.

Mr. Byblow: When the minister recited the major portions of expenditure under the capital part of the appropriation here, she made reference to \$900,000 as being the required amount to finish off previous subsidiary commitments. That is a substantial amount. Could she identify, at least in some measure of grouping, where that went?

Hon. Mrs. Firth: I do not have that particular allotment of funding; where that funding went. I may be able to give the member an overall view. The Canada-Yukon Tourism Agreement, which started in 1980-83, officially expired March 31, 1983. Most of the major projects have been completed. Those major projects were Dawson City visitor reception centre, \$770,000. These are all old figures. Is this what the member wishes?

Mr. Byblow: Let me explain the generality of my inquiry.

When we completed our budgetting process last spring, we had, I thought, identified the completion of projects to which money had been committed or was anticipated to be spent. The supp comes before us with an additional \$900,000, which to me, is essentially new money that got spent over the summer on some major work, because you do not spend \$900,000 on nothing. So my question simply put would be: what projects required this additional funding from the commitments we identified in the spring budget?

Hon. Mrs. Firth: This was funding for capital expenditures which were increased to the maximum allowable under the Canada-Yukon Tourism Agreement. The adjustment increases the capital recoveries to the maximum allowable under the Canada-Yukon Tourism Agreement also. So, there were some commitments made. For example, on the Watson Lake visitor reception centre-interpretative centre we had work to do there, as well as the Carcross visitor reception centre-interpretative centre. The former was \$550,000; the Carcross one was \$250,000. The Whitehorse visitor reception centre, T.C. Richards building for \$265,000 was finished up. It was other incentive projects such as the Dawson facades and so on that had to be finished up. So it was a sizeable amount of money.

Mr. Byblow: The minister made reference to visitor reception as costing \$126,000. When she was describing some of the extended commitments under the subsidiary agreement, she cited visitor reception centres as part of that \$900,000. I guess I have a little confusion as to why, on the one hand, \$900,000 includes

visitor reception money and, on the other hand, why a single item has been identified for visitor reception, if it is still under the agreement.

Hon. Mrs. Firth: That is a separate item. What was visitor reception centre grounds, so that was for the groundwork; we identify that separately.

While I am on my feet, I can answer the question about the George Johnson Museum in Teslin. We identified \$16,500 for that, under the special projects, and that is for stabilization and repairs to the foundation, for \$9,000; roof repairs, which is to include cavestroughing, flashing and replacement of shingles, \$4,000; exterior and interior painting for \$3,500. As far as I know, the project is coming along.

Mr. Byblow: Because I am waiting for some very detailed information from the Minister of Economic Development, I will just place a general question to the minister on this department, with respect to the \$1,900,000 that is being appropriated for work that has been committed this summer — additional to the spring budget. Can the minister say that all of the projects announced during the course of the Cabinet tour, or otherwise, and what she has essentially recited here today are go-ahead and will be completed prior to next fiscal year?

Hon. Mrs. Firth: That is a pretty big commitment for me to give. I can go through the particular ones for tourism and give the specified amounts. There are some 17. It would not take long, if the member is interested in them.

Mr. Byblow: Okay.

Hon. Mrs. Firth: I can say that our projects are going ahead and, hopefully, will be completed.

The Beaver Creek visitor reception centre; we identified \$100,000 for that. We were originally planning on building a new structure, but they are going to be modifying the old one, so we may not spend the whole amount for that.

Other projects include: highway point of interest signs, \$87,000; MacBride Museum, \$20,000; Burwash Landing Museum, \$20,000 — that is the Kluane Museum of Natural History; tourism facilities improvement program, \$150,000; promotional brochures; the visitor reception groundwork, I have already announced that; the museum in Teslin; Keno Mine Museum, \$3,500; increased visitor reception centre staff, \$16,000; the old Territorial Administration Building, \$125,000, — and we have already discussed previously that that was for roof reconstruction; increased production of tourism travel guide brochures, \$50,000; Yukon road maps, \$20,000; Canyon City, Miles Canyon, \$30,000; the visitor exit survey, tourism industry highlights and marketing research, \$37,000; library access, Carmacks School, \$6,000; audio visual access, Whitehorse Elementary School, \$10,000.

Mr. Byblow: I appreciate the list and may want to follow-up at some later date on that.

Another general question I want to raise at this point because, in previous discussions under tourism, we had some business development monies identified, I thought, under the Tourism Subsidiary Agreement. At one point, in the announcements this past year — those infamous announcements — some \$90,000 was identified for a business development project. In fact, it is listed in a document that got circulated from the government office, outlining a number of projects that were being announced in about September.

Hon. Mrs. Firth: From YTG?

Mr. Byblow: Yes.

I am curious about that \$90,000, under business development, as a business development project. It may fall under economic development or it may fall under some other category, but I raise it here because, in previous

discussions, business development monies were identified in tourism funding.

Hon. Mrs. Firth: It must be under economic development because I have no recollection of such an amount for business development. I could have forgotten it, however, but it does not come to my mind, at all. I have no familiarity with it and I am not sure of which document the member is speaking. If I could have a look at the document, I could, perhaps, answer the question.

Mr. Byblow: There is no question that it may fall under

economic development and I am sure, when the minister provides me with a status report, it will no doubt be included there. A final question that I have in general debate relates, under the O&M, to special projects.

When the minister talks about special projects, as identified under O&M, do these relate to one or some of the 17 projects she recited earlier? If they do, because of the nature of their work, why is it no capital money because, in each instance, it is an improvement to a facility?

Hon. Mrs. Firth: For example, the increased visitor reception centre staff; that would be O&M money under the special project. However, most of the other programs are capital monies, I believe; for example, Keno Mining Museum. I believe the majority of them are capital projects under special projects.

Mr. McDonald: I have a couple of general questions. The first regards the distribution of museum grants, in a general sense, for brand new museums. I am sure the minister remembers that I asked a question regarding how such projects are determined and how the department identified where funding ought to be provided for such museums. The minister, at the time, said that the department takes direction from museum associations around the territory, I believe.

Does the department also take direction from the community groups or from historical association groups in the territory? What leads me to ask the question is that the Mayo Historical Association, for one, has been asking for some assistance in building a museum in Mayo for some time. Beyond that — I guess attendant to that — is the project guidelines. What I am looking for is the guidelines which would determine whether or not the museum would be cost-shared with the community groups, whether the department is prepared to pay for a certain percentage of a new building: what sort of money is available for what kinds of things in the construction of new museums?

Hon. Mrs. Firth: We are presently recruiting a museums advisor and I am anticipating — I believe I have discussed this with the members in opposition before — that the museums advisor will give us some assistance in finalizing and establishing our whole museums policy. I do not have all the details at my fingertips at all the questions the member is asking. I do know that we consult with the museums associations and arrive at decisions as to how the funding will be distributed and out of which portion of the budget the funding will come; for personnel, some upkeep and repairs of the building; and, purchase of museum pieces, and so on. It is done on the shared basis, on the request of the museums people.

How involved the community gets in that advice and the approaching the government, I cannot answer. I do not know. If the member would like some further information, I could find it for him or he could check with some of the museums people. I know he is concerned about the museum request from Mayo and I have talked to the people who are concerned in Mayo and who are directly involved. They indicated to me that they were not ready, right at the moment, to proceed with the museum but they hope to be shortly. They had asked about regarding funding, at which time I have asked the department to look into a museum in Mayo and to see if there was a suitable building. However, we did not want to raise their expectations to have a museum there. We were just looking at it.

Mr. McDonald: I will, of course, follow up with the minister at a later time.

The other question I have is a question that I have put to the minister before as well, and that is the issue regarding the publishing of pamphlets. The minister mentioned, I believe, in her remarks that there was some funding available for this sort of thing. I would like to ask first of all, if there is a plan to revise the information in the existing pamphlets, revise the method in which the various areas are advertised, for lack of a better word, in those pamphlets or brochures; and, if there is such a plan to do that this winter, when should a group such as the New Silver Trail Tourism Association get suggestions in? Is there such a deadline for making that kind of recommendation?

Hon. Mrs. Firth: For a number of years, we have noticed that there is a need for the production of a series of coordinated community promotional brochures, and we are presently looking at

those brochures and enquiries are being made to particular communities regarding that. The travel guide that the government funds jointly with the Yukon Visitors Association advertises all the major facilities that are available and we wanted to avoid duplication of those. However, where particular communities indicate to us that it is very important that that be included in the pamphlet, we are looking at that.

So, we are working on it but it is a very extensive program and it requires a lot of research so that we can come up with a brochure or a pamphlet that everyone finds suitable.

Mr. McDonald: Is there a plan to alter the content of the larger government/YVA brochure or pamphlet this winter?

Hon. Mrs. Firth: If the member is asking about the travel guide, no, we have no plans on altering it. The new travel guide cover has been chosen already and I believe the advertising agency is working on it and it will probably be printed very shortly. I have not seen the final copy, so I know it has not gone to print yet. But I am anticipating that it will be arriving soon.

Mr. Chairman: If that is all the general debate, we shall now go on to line items.

On Operation and Maintenance

Operation and Maintenance in the amount of \$342,000 agreed to On Capital

Capital in the amount of \$1,620,000 agreed to

Department of Tourism, Heritage and Cultural Resources agreed to

Mr. Chairman: We shall proceed to Executive Council on page 12.

Hon. Mr. Pearson: Mr. Chairman ...

Mr. Chairman: Mr. Pearson, we have had the courtesy of waiting for you. Would you mind waiting until Mr. Penikett shows up?

Hon. Mr. Pearson: No.

Mr. Chairman: I rather regret that, but he was here and left. I am very sorry. These people should be staying in the House, so that they are available. I regret this very much.

Perhaps we will go on to Yukon Housing, on page 32?

On Yukon Housing Corporation

Hon. Mr. Ashley: There are two line items here. Operation and Maintenance for \$540,000 and Capital for \$95,000. These are mainly almost the total, except for \$32,000 of this, which is for the employment stimulation program. That \$32,000 is in that \$540,000. The rest is \$225,000 for landscaping and fencing throughout all of the communities and \$100,000 for maintenance enrichment program; \$45,000 for historical facade and \$138,000 for furnace upgrading; totaling \$540,000. Then the \$95,000 in Capital is for foundation repairs.

Mr. Kimmerly: On this \$95,000 for Capital for foundation repairs, I am aware of the two projects in Faro for \$47,500. Where is the rest of the money?

Hon. Mr. Ashley: Thirty-five thousand dollars is in Dawson and there were 21 person-weeks involved in that. For \$47,500 there was 24 person-weeks in Faro and then the other \$12,500 is two person-weeks in Ross River.

Mr. Kimmerly: On these Housing Corporation projects, was the normal tendering process followed?

Hon. Mr. Ashley: It is the process that Yukon Housing uses, not the process that Government Services uses.

Mr. Kimmerly: What is that process?

Hon. Mr. Ashley: The way I understand it, they call for a bid proposal from the communities.

Mr. Kimmerly: The reason why I ask is that I believe on the Faro project there was no call for bids or tenders and I wonder if that is accurate information.

Hon. Mr. Ashley: In some cases, I do know that the manager of the area hires crews and puts them to work. It depended on what happened in the area. It was still all work stimulation. None of them were employees of the Yukon Housing Corporation, other than the one person in charge if the corporation looked after it.

Mr. Kimmerly: I would ask the minister to get back to me by a

letter perhaps, as to the process that was followed on this \$95,000 expenditure, as I have some inquiries about it.

On the landscaping and fencing, what portion of that was for Greenwood Place?

Hon. Mr. Ashley: I will confirm back to the member opposite, as far as how those bids work. I will get the corporation to verify it just for sure.

What I will do is give you a breakdown that I have, by community. I do not have a breakdown, in the communities, of what was done per unit. In Waton Lake, there was \$15,000 for 15 person-weeks; in Teslin, there was \$10,000 for 10 person-weeks; Swift River, there was \$10,000 for 10 person-weeks; Mayo was \$15,000 for 15 person-weeks; Dawson was \$40,000 for 40 person-weeks; Carmacks was \$15,000 for 15 person-weeks; Whitehorse was \$80,000 for 80 person-weeks; and Carcross was \$10,000 for 10 person-weeks. There was supervision and travel for \$30,000, to round it off to \$225,000.

On Operation and Maintenance

Operation and Maintenance in the amount of \$540,000 agreed to On Capital

Capital in the amount of \$95,000 agreed to

Yukon Housing Corporation in the amount of \$635,000 agreed to

On Executive Council Office

Mr. Chairman: We shall now go back to Executive Council, page 12, for \$322,000.

Hon. Mr. Pearson: The \$322,000 is made of the following primaries: salaries is \$150,000 —, that is, of course, to meet the six percent that was granted; there is an additional \$91,000 of travel money here — primarily that is in the land claims area, a very large proportion of that \$91,000 is in the land claims area: \$45,000, with respect to the support and furniture for the new minister appointed to Cabinet; \$36,000 for professional services. The \$36,000 was in the area, primarily, of the Macdonald Commission, the brief that we presented to the Macdonald Commission and the work that we are doing there, and in land claims.

Mr. Penikett: Other members may wish to ask about other items under this, but I wanted to ask about the Macdonald Commission brief. When I first read the explanatory note in the item, and saw the amount of money, it seemed to me to read that that was what most of the money was spent on. I was, in fact, quite frightened.

I am still curious about the \$36,000 amount. I would be curious, from the government leader, if he could elaborate as to what kind of professionals were involved in drafting the Macdonald Commission brief, because the paper that we received — that we were given copies of — was, if I may be forgiven for saying so, not that well-written. In fact, I thought the speech that the government leader did was different in some respects from the paper — or, at least, the press reports of it, seemed different. That may be: there are two possibilities there.

I wanted to ask the government leader, if I can, some general questions about that statement to the Macdonald Commission, because there are some issues raised there that are interesting. One of the things that the paper seems to suggest — and I have asked the government leader about this in question period before, but I would like him to elaborate further, now — is that there is further work going on. I think the paper said that a year from now there would be some more detailed papers. I do not recall whether it said that these would be sector analyses, but I would assume, if you were going to do a fairly comprehensive statement before a commission like the Macdonald Commission, that is what it would have to involve: some kind of economic sector analyses.

I was going to ask the government leader, and perhaps I can do this in small questions first, when those more detailed papers — and that is not the word they used in the paper, it is not detailed, — or more substantive papers, might be ready. I assume they are not going to all be ready at once, but could he give us some indication of what they are, when they might be available, whether they will become public documents when they are completed, or will they become public when they are tabled before the Macdonald Commission?

Hon. Mr. Pearson: If I could start at the end and maybe work my way forward with the number of questions that were asked by the leader of the opposition. Yes, we are working extensively. We have a commitment. We have undertaken to make another presentation to the Macdonald Commission. We feel that it is very important to this territory and the evolution of this territory, both politically and economically, that our presentation be a very good one. We have budgetted a large amount of money — something in the neighbourhood of \$100,000 — towards the production of the next presentation to the Macdonald Commission. It will be given about 18 months from now; that is what the schedule is. In the meantime, we anticipate an tremendous amount of work being done because we do perceive it to be important.

It was an interesting statement by the leader of the opposition, that he did not think that our brief, notwithstanding my statement, to the Macdonald Commission was not very well done. In fact, what we have been told — and I know that they have not been telling everyone this — was that our brief was considered to be one of the most comprehensive presented to them across Canada. By the way, it was done in-house. We hired both of the people on contract to do the work. The major portion of the writing was done by a local graduate of FH Collins who has, of course, a political science degree and is working as a contractual employee in the department at the present time. I am hoping that, somehow or another, we will be able to work things out so that we can keep him on. He has proven to be very valuable, particularly in this kind of work.

I would anticipate that the results of all of the work that has to be done will, in fact, become public. It is true, it will be done on a sector basis. However, what has to transpire is we are going to have to make another submission to the Macdonald Commission. Knowing how submissions are and how they get done, I would suggest that we will be working right up until the last day getting that submission ready. I do not anticipate that it would become a public document until it is made public to the commission.

Mr. Penikett: I thank the government leader for his answers. In the document, there are several statements which imply and, in fact, assert that there has been a failure of economic planning by the federal government with respect to the Yukon historically. There is even an allusion to the failure to do economic planning on the Scandinavian and Australian model in the brief. I wonder if the government leader could briefly explain what is meant by that?

Hon. Mr. Pearson: One of the requirements of the Macdonald Commission is to make recommendations to the Government of Canada with respect to not only the economic but with respect to the planning that the Government of Canada should do in all regions of Canada for the next 20 years. It is, to my knowledge, the first long range look that the Government of Canada has ever attempted to take on a regional basis in this country. That is why I think it is so very important.

There has been long range planning done, especially economic long range planning, in other countries. We are, as part of our research work, looking at that long range planning and seeing whether it can be adapted.

¹⁹ We are different and it is very difficult to suggest that what might be a good planning scenario for British Columbia will be a suitable planning scenario for Yukon. The differences are quite severe and our whole situation with the Government of Canada is so much different that we have to be looking for our own scenarios, actually from outside the country.

Mr. Penikett: I am fairly well-acquainted with the Scandinavian models of economic planning and, in fact, I am quite pleasantly surprised, I might say, that this government appears to be supportive of that kind of initiative.

Could I ask the government leader if — not dealing with constitutional possibilities but the constitutional status quo, or this current situation — what is the view of the Government of Yukon as to who should be principally responsible for economic planning in this region at the moment. I am talking about just entirely territorial infrastructure, but I am talking about economic planning in this region.

Hon. Mr. Pearson: Once again, we must understand what the objectives of the Macdonald Commission are. The objectives are to

determine what the responsibilities of the Government of Canada should be with respect to economic planning, political planning, and the whole works. It is what the Government of Canada should be doing. Our submission, of course, stated quite clearly that it is our opinion that at this point in this territory's evolution it is a very serious responsibility of the Government of Canada to have some sort of a long range economic plan, because they do not have one. They are, in fact, the owners of the resources of the territory. They are the managers of the resources of the territory. The one thing that has always been lacking, and something that we have severely criticized in the past — and I submit, will continue to criticize them for — is that we have never had any sort of a development plan that included what the federal government saw happening in this territory five years from now, 10 years from now or 20 years from now. What we intend to do is put a plan to the Macdonald Commission that they can recommend to the Government of Canada.

Mr. Penikett: So if I understand the government leader, while he would say that it is the responsibility of the federal government right now, this government is going to take what I am sure we would regard would be some commendable initiatives in proposing something for their consideration.

Could I ask the government leader if he would accept the proposition that if the federal government has not been doing the economic planning in the past, and if in the past the Government of Yukon has not had the capacity to do it, that in fact what we have has is a situation where if there has not been any planning at all, it has been done by resource developers with respect to their own properties and their own sites, and that, as a consequence, the public sector has had to do secondary planning as a result of those initiatives by developers?

Hon. Mr. Pearson: Frankly, the last plan, long range plan, or the only long range plan that I can recall ever was Mr. Diefenbaker's Roads to Resources, which he tabled in the House of Commons, I believe, in about 1958. The actual work started in 1960; and that was a 10-year plan with respect to Roads to Resources. The end result, of course, was the Dempster Highway. That is the only long range plan that I have ever seen. Most of our highways in this territory — the other highways in the territory — in fact, have been built as a result of initiatives taken by private enterprise. An example is the Cyprus Anvil Mining Corporation decided that they could get a mine going at Faro; the Government of Canada then went ahead and built the Campbell Highway from Ross River to Carmacks. But the initiative, the first initiative, was private enterprise.

Mr. Penikett: Clearly then, historically we have had a situation of planning from outside the territory done by major developers and, for the time being, we expect the planning to be done from outside the territory but by the federal crown assuming the role traditionally held by individual private developers. I am sure we would share the government leader's hope, while we might differ on particulars with the notion that this community ought to in the end be responsible for planning its own future, economically as well as socially.

Let me move on to a different aspect of the brief before the Macdonald Commission which gets to a specific in terms of economic development, and as it relates to the mining industry which is admittedly in a depressed condition at the moment. The submission suggests that a smelting process in Yukon, for the smelting of semi-refined or refined metals, could be offered here. Given the various studies in the past — one I recall, was it Arthur Lang? No, it would have been since him — suggested that we would, with the technology of the day, need nine mines the size of Anvil before a smelter would be economic. Could I ask the government leader if he thinks the smelter is a realistic prospect?

Before I sit down and before he responds to that, I cannot ignore the reference to the Dempster, as I just happened to be reading about it yesterday. And, while far be it for me to ever say anything nice about a Liberal — or bad, for that matter — as a matter of record it is interesting that the Dempster Highway was not on the original list of the roads to resources; in fact, it was added as a result of the representation of the Liberal MP of the day, Aubrey

Simmons. But that is just an historical footnote. I would be curious just to know what the government leader's position on the smelter is.

Hon. Mr. Pearson: I cannot let the leader of the opposition get away with that. Another very nice Liberal — and I certainly do not want to say anything nasty about him at all, but in fact he was the prime minister of Canada at the time — happens to be my namesake, and he referred to the Dempster as the road from igloo to igloo.

Mr. Penikett: That was the opposition MP?

Hon. Mr. Pearson: No, he was the prime minister of Canada at that time. It was in fact Diefenbaker who approved the Dempster being started.

Now, I cannot remember what the question was; oh, yes, smelters. Part of the agreement that Cyprus Anvil signed with the Government of Canada in mid-1960's with respect to all the nice things that the Government of Canada did to get that mine going, like construction of the highway, the bridge, and so on and so forth, calls for Cyprus Anvil to, every five years, do a smelter feasibility study in Yukon.

Those studies are done and they are updated every five years.

It is true that every study that has been done, so far, has said that it is not practical. Certainly, it is further from being practical today than it ever has been for a number of years, but I believe that there will come a day. Certainly with MacMillan Pass, if all the things come into being that are being looked at now in the MacMillan Pass, I think probably the next smelter study might be a little bit more glowing, once again. I do not think there is any doubt about it. I believe that, some time in Yukon's future, there will be a smelter. I do not know at what point, but I believe that there will come a time when it will become feasible. Transportation costs going up helped that feasibility, by the way.

Mr. Penikett: The paper also makes mention of the necessity for major federal government investment in the Yukon economy — given the lack of resources of the Yukon government, in fact, I think was the phrase right from the paper.

I would like to ask the government leader if he believes that such an investment can and will take place by the federal government, without the federal government continuing to want to take, or taking, a commensurate political interest and role in the Yukon economy?

Hon. Mr. Pearson: I do not know how much of a role, politically, the federal government might be interested in taking. The reference, though, to major federal initiatives in this part of the country, in this region, I think, should be in the area of self-infrastructure. It would be to the benefit of Canada and Yukon if the Government of Canada looked at developing our hydro potential, for instance; that would have quite an impact in the long term. It is one of those horrible situations of the chicken and the egg. Which comes first? But, it has been proven time after time, in the past, that if reasonably priced infrastructure is in place — primarily power and transportation routes — then industry does find the way and the means to develop that part of the country.

Mr. Penikett: I guess one of the things we have to realize, though, is that sometimes it takes a while — the Dempster Highway being a case in point — before it may find a resource at the end of the road.

I am curious, and the government leader may want to pursue this a little further, though. I am still curious about his expectations for the federal government. I want to ask this question without regard to whatever changes may happen in the national government, in terms of what role the federal government believes it would expect to continue to play, if it is making those major investments we talked about?

Let me just move on, though, because the government leader may elaborate, to the next question that arises in sequence going through the paper. The paper suggests that, as a resource producer in a heavily competitive world market, development can be accomplished through a heavy and sustained financial commitment from federal sources; that is the language of the paper. The submission also says, with respect to Cyprus Anvil closing, for example — let me do that as a separate question. Let me ask the government leader

if he could talk a little bit about the federal role in exchange for that heavy commitment. I assume this government wants the federal role to change, and we can understand what kind of direction. I wonder if he could be a little more specific as to what — I am not talking about exchanges they would want to make — kinds of protections of their interest they would want to keep. I know there are things like C-48 hanging around but, as a general proposition, would they want to keep protective interest because of land management regimes or would there be some more direct kind of management that they would seek to have off the investment they are making here?

Hon. Mr. Pearson: I think we must not lose sight of what the Macdonald Commission is set up to do and what we are trying to do. We are trying to put alternatives before the Macdonald Commission that they might be prepared to recommend to the Government of Canada. Then, of course, it is going to be up to the Government of Canada to decide whether they are going to accept those recommendations and what they might want to do. From that point of view, I do not think it makes too much difference and I think, obliquely, the leader of the opposition was asking me whether I thought if there was a change in Government of Canada, would that make a change in the Macdonald Commission. I do not think it would. I think probably the Macdonald Commission would carry on or something like it would carry on because I can see that there would be a requirement for any federal government to want to have these kind of recommendations.

I cannot answer as to what kind of a long term price the Government of Canada might want to extract from the territory with respect to development, that they might do at this time. I would think that there is enough precedent in Canada, like the construction of the CPR railroad, and so on that, in fact, the federal government should see its role as the initial developer. Then, it does, in fact, particularly with respect to the political side of the thing, back off and allow the people of the region to determine their own destiny.

Mr. Penikett: My colleague for Campbell suggests that by 1984 we might have a Pocklington commission. I guess that would be to look into the future of the country.

Hon. Mr. Lang: You are pretty positive about the future, Tony.

Mr. Penikett: I am always that. It is part of my philosophy.

Let me ask the government leader the next question, which I have on my list and he will understand that I am going page-by-page through the submission with my question marks.

The submission also says with respect to a closing like Cyprus Anvil that a closure of this nature disrupts the entire social development interaction of the area. I think that is the statement in the thing. Given the government leader's previous commitment that he has made in this House to an acceptability of foreign ownership as opposed to when we were talking about federal crowns as a possibility, and the historical nature foreign control of much of our region resources and given, therefore, the complete inability of this government to influence investment decisions by such entities as foreign multinationals, what specifically does YTG or the territory feel it might suggest to the Macdonald Commission to prevent arbitrary shutdowns or sudden closures of properties like Cyprus Anvil? Let us use that as an example, even though the ownership is now, I guess, vaguely domestic: Canadian banks. Given that those shutdowns, as the government leader will know as well as anybody, are enormously costly, not only to the community and the social infrastructure but also to the treasury, they can, even at the obvious level, increase welfare costs or dislocations from school populations and one thing and another. Many places in the world are looking at ways to make arrangements with the owners of the property to protect themselves from those sudden investment decisions that might result in the closure. Has the government thought about this question and can the government leader indicate what it might suggest to the Macdonald Commission in dealing with that problem?

Hon. Mr. Pearson: It is pretty tough, with the philosophy that everyone on this side has, that we would suggest that there be interference with what is, in fact, private enterprise. If there is a

business operating and it decides to shut its doors for whatever reason, philosophically we, on this side of the House, have a very difficult time rationalizing government interference.

Mr. Penikett: That answer does not surprise me, but it is a very interesting one and I hope the government leader will understand that I am not being entirely frivolous at this point. We have just talked about the kind of massive investments which would be needed in infrastructure or in social services, or whatever, in order to provide the kind of environment into which such developers or foreign capital might wish to come. In other words, the government leader has talked about creating a good environment or being a good host, I guess, to such capital. I am sure that many Yukoners, in their tradition of hospitality, would want to be good hosts. There is also, I think, such a responsibility occasionally to be a good guest and we are, in most cases in the modern world, not dealing simply with a problem of private investment, which might make a decision to come and go, but also, as the government leader has just said, considerable public investment. Let us talk about, not Cyprus Anvil, but let us talk about some mine or some property like that. Obviously, if it is going to open and produce and become a community, there is a considerable public investment there. Does the government leader still regard it as improper for the government to interfere, even to the extent of protecting the public interest or the public investment in the same property?

Hon. Mr. Pearson: Oh, no. That is quite a different question. If the member opposite would like an example, I will give him one and I am sure it is very close to home for him. I am quite confident that, if I would have been the government leader when Cassiar Asbestos decided to close up Clinton Creek, it would have cost them an awful lot of money to have gotten off of that property, because I do not believe that they had met their commitments; I do not believe that they had been good guests. I do not have any trouble with making agreements with a private entrepreneur with respect to what they are going to be paying to be there. I also believe, very strongly, that once those agreements are made they should be lived up to. So, that is one thing. I do not have any problem at all making it clear that the private entrepreneur should in fact pay; but he has also got to be allowed to make his own business decisions.

Mr. Penikett: I will not pursue that point *ad nauseam*, but I think I could agree with a large part of what the government leader said in answer to his last question. In fact, I probably would not take issue with that except I would point that, as he knows in the case of the example he chose to use, the problem became that the agreements began to be broken almost from the day after they were signed, and there was not in fact the will to make sure that they were respected.

Let me ask the government leader the next point. There is some curious phrasing, and he will have to understand that, when I was talking about the writing in the paper before — and he responded talking about it being comprehensive — I was not in fact taking issue with the fact that it was comprehensive. I think it is that, but I had some problems with some of the language, including a fascinating suggestion I found in the paper that dance halls were a necessary part of the infrastructure — that was one reference there. Well, I mean to say, it indicates a more joyous and exuberant attitude towards life than I had believed the government leader held. I might have thought of golf courses, but I had not thought of dance halls.

Hon. Mr. Pearson: Have you never seen me dance?

Mr. Penikett: Just in the House.

There is a statement in the paper, which says "The pendulum of social concern has swung too far, due to an awakening of the federal government to the problems facing indigenous peoples of Canada". Could the government leader explain what was meant by that statement?

Hon. Mr. Pearson: I believe that we are on a course, in this country, where we are going to have to stop and take a look at very, very quickly. I think maybe this stop has already occurred and it happened with the economic downturn. We really went on a social binge in this country, for some 30 years, from the time of the Second World War until about two years ago. The social bill of

running this country has multiplied so many fold, just dramatically, as compared to our Gross National Product, it has just gone to what I think is right out of whack.

I suggested, in that paper, that there would be a day of reckoning. I think it is here already. I think that we are going to find that the Government of Canada is going to have to put a lid on the cost of social programs, because they have to get the money somewhere and the only place that they can get money is from the people who earn it. It is from the private entrepreneur and it is from the people who work. If we do not have enough people working, then we have a fiscal problem in this country.

Mr. Penikett: I would like to move on to the section of the paper that deals in the submission on political strategies. The first goal described in the paper, in this section, is to maintain the territorial integrity through legal means and political strategies. The paper goes on to say that this will be necessary to defend Yukon's borders from external challenges from non-resident native peoples.

Could I ask the government leader if that means the Government of Yukon will, as a matter of course, be opposing any use of Yukon land by aboriginal peoples who may have used the land for a long time before previous settlers came here?

Hon. Mr. Pearson: No. I believe that the leader of the opposition knows full well exactly what was said there, because it has been said, in those very words, in this House.

It does mean that we are prepared to take what we figure is an extra-territorial organization, like COPE, to court if they lay claim to Yukon land. I am sure I do not have to remind the member opposite that we have, in this legislature, amended legislation to make it possible for those people whom we know have traditionally used Yukon land, who do not live here, to continue that use. We have made it legal for them to do that.

Mr. Penikett: I asked the question for exactly the reasons indicated by the government leader, since, I will submit, and I say this with respect to the language in the paper, again, it appears to be something different from what had been said in the House.

On the same point, I would ask the government leader some questions, since this is now in the Statement of Political Strategies identified as the first goal — I was curious as to when this became the first goal, for a number of reasons — if we are talking about the territorial integrity or defending our borders, in this sense, from non-resident native people, it raises two questions in my mind. One, I guess it seemed a little bit contradictory, if we are so willing to receive foreign investment on the terms the government leader talks about and it is also curious because — until this summer, I guess — the government leader had talked about settling Yukon land claims as the number one priority.

²⁵ On this list of political statements, it becomes number two, and the defending of borders becomes number one. I would be just curious if the government leader could indicate when that shift in priorities took place.

Hon. Mr. Pearson: I do not think there has ever been a shift in priorities. In fact, settlement of the Yukon Indian land claim is the number one priority of this government. It always has been. That has been our first goal. It is one that we have worked very hard at. It is really no use having a Yukon Indian land claim settlement in Yukon if we do not have some sort of a very clear understanding about what Yukon is, or what the boundaries of Yukon are. I think that probably if you consider the way this country is put together, certainly the first priority of any region is, in fact, the definition of the boundaries of that region.

Mr. Porter: I would like to ask the government leader on the question of his government taking the position that should the Inuvialuit of the western Arctic lay claim to land within the boundaries of what is known as Yukon now, that his government would be prepared to take court action to challenge such a claim. I would like the government leader, in view of the constitutional provisions that have just now become a part of the Constitution with respect to the aboriginal rights accord reached at the First Ministers' Conference of last year, what is his assessment of the successful chances of a favourable decision should such a court case be proceeded with?

Hon. Mr. Pearson: I think exactly the same as they were in

1979, when we first said that if the Government of Canada granted some Yukon land to a group of aboriginal peoples that lived outside of this territory, then we would proceed to court. We have not changed.

Mr. Penikett: Just to go back to the sequence that I was pursuing, there is a section in the paper — I am sorry, I cannot remember if it is under the political strategies or if it is a separate one — with respect to the native population of the Yukon. I would like to ask the government leader a couple of questions about that statement. I want to emphasize here again, to the government leader, that some of the problems I may have with the statement may have to do with language rather than the expression of the thought, but I am not sure and that is why I am pursuing these questions.

The paper suggests that native people of Yukon will become an important and crucial part of future development in the economic and political constitution circles. I wonder if the government leader could elaborate on that. Perhaps, I would guess the obvious answer would be with respect to the land claims and economic benefits that may flow from that. I wonder if he could indicate his view as it might have been expressed to Macdonald as to why native people have not been an important part of the economic development of the past, as the paper says?

²⁶ **Hon. Mr. Pearson:** Surely it must be obvious to the leader of the opposition that they have not been, primarily because it has been a policy of the Government of Canada that they not be, that they be kept separate and apart. All the leader of the opposition has to do is read the infamous *Indian Act*; it makes it very clear. It has not been quite as obvious here in Yukon, and I am very thankful for that, as it has been in southern Canada in that they never, ever did get around to establishing reserves *per se* in Yukon. And I submit to you I think that that was always one of the real plusses for the people in the territory and I believe it is one of the reasons we have been able to get to the point we are at now in respect of a land claims settlement.

The one-government system dictates that the Indian people will, in fact, become a very, very important part, not only of the economic, but the political evolution of this territory. I am sure we have members in this House who are of Indian extraction; however, I do not think that, on the whole, they play as active a role in the communities as I feel they should. Certainly they do not play as active a role in the communities as I am positive they will after a land claims settlement, under a one-government system, and I look forward to that day.

From the economic statement, as the leader of the opposition indicated, it is obvious that they are going to be getting land which is valuable and money which is valuable when you start talking about economics in this territory, and they will be a force that everyone will have to reckon with at that point.

Mr. Penikett: I am not sure it is quite as neat as the government leader indicates because I would guess that some people would argue that their role in the pre-gold rush economy, such as it was here, was in fact much more significant. I would suggest that the role in the pre-gold rush period was quite intensive; in fact, probably in the pre-second world war period they may have played a larger economic role in the territory than in some recent years. Not that I want to get that much into detail, but I was reminded — as the government leader was speaking — of an observation by my mother-in-law, who talked about how Indian people used to travel around the territory and used to get around quite a lot until they built roads here. Then they stopped travelling, which was an ironic statement but had quite an alarming truth to it.

The same submission to the Macdonald Commission goes on to say that Yukon Indians are suffering from changes because they have not been able to adapt to the modern economy and cannot return to their previous lifestyles. I guess that is, to some extent, alluding to what the government leader was talking about before. Could I ask the government leader if he would not agree that the problem is, at least in part, that the economy which has been dominated by people like ourselves has not adapted to the native people, rather than the other way around, and, in fact, rather than them not being fitted to serve the economy, the economy such as is

operated here does not always serve the native people very well. Would you agree with that statement?

Hon. Mr. Pearson: Yes, I will agree with it, but then, of course, that does not make us any different from anywhere else in the world, because, in fact, always the dominant economy wins out. Certainly, for a long period of time after the gold rush the white economy was the dominant economy in the territory. That changed, and I am quite cognizant of the fact that it did change, until the advent of the construction of the Alaska Highway. From that point on, I respectfully submit, the dominant economy in this territory has, in fact, been the white economy.

Mr. Penikett: When the government leader talks about it being the same pattern all over the world, I would agree with him. It is interesting when we use expressions like the white economy, because there is ...

Hon. Mr. Pearson: Whichever economy is dominant.

Mr. Penikett: The government leader does not have to be sensitive on the point. The point I was going to make was that there are many economies in the world. There was something known as the "black economy", which is not what you expect, but is an underground economy that some places, they argue, is much more vital than the dominant one. That is an aside.

The section — I guess it is near the end of the paper — describes the Yukon government's philosophy in determining the directions, the government goals and objectives as the "right to self-government". I want to ask the government leader if he would just briefly give us his views of where we are at on that subject today and what his position on that subject is today? I say this not in an unkind way. He will understand that there has been an evolution of this government's views on the subjects and there have been various statements on provincehood and timetables towards provincehood. I would be curious, for example, if I were Mr. Macdonald, or if the question were put in some detail, what the government leader would say at this point in our history?

Hon. Mr. Pearson: If my memory serves me correctly, I believe I was asked by one of the panel members when I thought Yukon might become a province. I gave my stock, standard answer. It has been my stock, standard answer for about 15 years now: I honestly do not know. I know that it is not going to be all that soon. I think it will happen. Certainly, it is an aspiration of, I believe, a large majority of the people in this territory, that Yukon someday achieve provincial status, because, in fact, that is the day that we become, as they say, first class citizens in Canada.

As to where we are at right now, we are at the same spot that we were at on October 19, 1979, the day we received the Epp Letter. We have a quasi-responsible government. We act the part of a responsible government. However, we do not have the judicial responsibilities yet of a responsible government. That is going to require amendments to the *Yukon Act*. They will, I believe, come about on the whim of the Government of Canada. That is just the normal course of events. I believe it will happen. Once again, I do not know when. It might happen next year, it might be the year after. It is something that we pursue as much as we possibly can.

The evolution sort of thing is a slow process. We are getting closer to full responsible government all the time.

Mr. Penikett: I have, really, only two brief, general questions left on the topic of the submission to the Macdonald Commission. I want to say, before I put them, I appreciate the government leader's answers and I appreciate the opportunity to talk about them. He will understand, since the House was not sitting at the time that it was presented, there really was not an opportunity to ask these questions, except during the estimates.

The paper goes on to say that one component of this government's philosophy is the encouragement of private enterprise in public projects. I think I know what that means, but could the government leader explain exactly what he means by that statement?

Hon. Mr. Pearson: Yes. The enabling legislation that we have passed, with respect to this government entering into joint projects with private enterprise for the production of electricity in the territory, is one example. I believe very strongly that, given most projects, given most things, private enterprise can do it more

efficiently than government can.

Mr. Penikett: I would be, I think, much entertained to live in a society where we had competing privately owned sewer systems and competing privately owned roads, but I am not going to get into that now with the government leader.

The paper goes on to say, "Another important part of the government's philosophy is the promotion of private enterprise over Crown corporations in the exploration and development of Yukon's resources". That is a fairly clear statement and we have, the government leader and I, debated this question in the past.

I want to ask him if there is a more complex hierarchy in his preferences? Perhaps I could ask him to grade, in order of preference, the kind of developer of resources he would want to see. I would put on the list the following: a foreign private company, a Canadian private company, a locally owned private company, a Yukon Crown corporation, and a federal Crown corporation. I would ask the government leader if he had a preference, in terms of who might develop our resources, if he could grade that list. I ask it specifically because the paper seems to make a general statement there and I just want to define the government leader's position a little bit more.

Hon. Mr. Pearson: It becomes very hard to grade, just overall, because I believe that it is very dependent upon what is being done. For instance, I feel very strongly — I do not think I am going to get very much argument, even from the members opposite — that if it comes to the production of electricity in this territory, if it is going to be done by a Crown corporation it should be done by a Yukon Crown corporation. There is absolutely no doubt about that.

However, if you are talking about the extraction of ore from the ground, a process that requires a tremendous amount of investment, and there are not Canadian companies that are prepared to make those investments at a given point in time, then I believe that we should allow foreign investors to make those investments. I would prefer to have a foreign investor making that investment than the Government of Canada, mainly because I think, under those circumstances, the foreign investor is going to be a better corporate citizen than the Government of Canada. That might be a personal preference, but I think there is a considerable amount of logic to it, as well.

As to rating them, blanket-wise, it is just impossible to do it. It really does depend upon what is being done. I agree with the leader of the opposition 100 percent. There is no question in my mind, and never will be any question in my mind, that government should maintain roads and government should maintain a sewer system or a water system. It does not work if it is done privately and it is not something that you can have done competitively.

However, I respectfully submit that there are other things that are being done now, by government, that could be done in the private marketplace and could be done competitively.

Mr. Kimmerly: I would like to enter the debate for a moment or two about the same general, philosophic questions, as they relate to this position paper and the expenditure here.

I have three questions and they are all related, so I will identify the questions all at once and then ask a question or two about them.

I am interested in the position of the government concerning the size of government, and the paper alludes to that, but only in a fairly general sense. The minister named three specific areas, in fact. One is the impact of land claims money, and I will discuss in greater detail the nature of the economic investment in the territory that Indian people or organizations are going to make after land claims are settled and the future of Indian government in the territory, as it is a kind of government alone, constitutionally a quasi-government, if you will. I am interested in that and I am interested also in the lessening of federal presence because as we are progressing in our evolution and taking over more and more of the governmental functions that were federal functions, it is obvious that the federal presence will decline. I have spoken about that. I would be interested in a response about that. I am also interested as the third question, the size of government in the territory and I will come at it in the following way.

I forget the numbers, but I was reading a paper comparing the expenditure per capita of all levels of government between the

Province of Quebec and the State of California. Now, those are different areas. However, it was an amazing analysis. If my memory serves me, the per capita expenditure on the three levels of government in Quebec was approximately 30 times the figure in California. That is a staggering amount. It boggles the mind for a moment. We are all aware that on per capita figures, the expenditure on government in the territory is very much larger than the expenditure in Quebec. So the analogy is even further apart here.

³⁰ Now, it is absolutely clear that the economic initiatives of this government in the past six months or so have had an impact on jobs in the territory, and the figures about jobs have been repeated by the Cabinet on several occasions. That identifies the three general questions.

As it relates to the long term economic future, does the government leader see a continued, a lesser or an increased level of government participation for the territorial government in the territory?

Mr. Chairman: Mr. Pearson, could you hold your answer while we have a short break?

Recess

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

Hon. Mr. Pearson: Before recess, the member for Whitehorse South Centre asked about what we saw in respect of the growth of government and by, if I understood the question correctly, the participation of government in the growth of the territory. I believe that the Government of Yukon will continue to grow in size over time, but not as fast proportionately as the population increases. The reason that I say that is because it is a fact of life that we, as government, must react to the demands of the electorate and traditionally the demands of the electorate have always been for more government; not bigger government, but more government, more services. As long as government is required to provide those services then of course government is going to have to grow if they are going provide them.

The member for Whitehorse South Centre also alluded to the fact that, as we took on more federal responsibilities here, the federal government would shrink in size in the territory. I am here to tell him that that has not been my experience in this territory. The Government of Yukon has taken on a tremendous amount of what used to be federal responsibility over the past 20 years and yet the federal government has in fact grown faster per capita than the territorial government has in that same length of time. I am not sure whether the member is aware of the fact or not, but there are in fact, very closely — if you exclude school teachers, within 200 — the same number of federal employees as there are territorial employees in this territory. I cannot justify that. I really have no comment about it except that it does seem excessive to me that there are that many federal employees in the territory.

I think it is a difficult situation when you are such a small government to have to compare on a per capita basis the size of government here with, for instance, the size of a place like California or Quebec.

³¹ We are victims of the number game, at this point in time, because we do have such a small per capita population. We still are required to provide virtually the same services as a province that has a per capita population of a 100 times more people. They do not have 100 times more people in their public service, but then that is because they can, in fact, with the public service, service that many more people.

Mr. Kimmerly: I appreciate those comments as a very complete answer to my general question.

I asked another general question as it relates to the future economic development and political development of the territory.

In the last budget, the federal transfer payment was larger than the previous year and consequently our reliance on federal taxes is larger than it was. With the growth of the territory, as was stated, the growth of the government, although at a slower rate than the population growth, does it follow that there will be a decline in the

per capita transfer payment from the federal government?

Hon. Mr. Pearson: Oh, yes. I believe that that does follow. I think probably that will become evident as the territory recovers and starts growing again, which I believe will happen. There is little doubt about it. In fact, over those good years in the 1960's and 1970's, our proportion of the deficit grant each year grew smaller and smaller, or what we paid in the territory grew larger and larger each year. The last two years, of course, because of the economic turnaround, the movement of that deficit grant has changed as well. I would anticipate that, hopefully, next year we can see it starting to go back the other way again.

But yes, our dependency upon the federal government has increased the past two years.

Mr. Kimmerly: I have a question about the impact of land claims money and also the structure of Indian government, if we can call it that. Even though I recognize it is a one-government system, there is a provision for a central Indian agency. Will the impact of that be that after land claims the total participation in the economy, the government and civil service jobs, will in fact, increase?

Hon. Mr. Pearson: I do not know that yet. We have, in fact, identified some 45 specific areas of this administration of this government that have to be looking at — we have established committees that are analyzing that as carefully as they possibly can, and this is at the administrative level — the perceived impacts of the various agreements that will hopefully make up the whole agreement in principle. I do not doubt for one moment that there are going to be some impacts, there are going to be some changes necessary. At this point, I just do not have any sort of a feel yet for the magnitude of those impacts.

³² **Mr. Kimmerly:** I appreciate that that is informative to our present position or state of knowledge.

One last question and a comment and it is more a comment than a question. I raised this in April, in response to the original budget, the estimates. It is quite clear that government is one of the most stable factors in our economy. The statement that I did not fully appreciate before, about the size of the federal government, is intriguing to me. I make the statement that it would be perceived negatively, I believe, if we advocated losing a percentage of the federal government jobs, in that it would entail Yukoners moving out, in some cases, and a lesser spin-off in the private sector.

So, I am not advocating reducing the economy or dealing a blow to the economy, but it appears to me — and I will talk about the federal government — that a continued presence and continued expenditure on salary dollars is justified if it is developing the territory. However, if it is not justified, it is maintaining a bureaucracy that is feeding on itself. I am extremely interested in that question, because I know, in my travels in the community, there is a conversation about the size of government, or big government and small government and, in BC, down-sizing government.

I wonder if the Macdonald Commission is interested in the total participation of government in the economy, as it relates to development, as opposed to simply maintaining a bureaucracy. Is that a topic that is being looked at as it relates to all governments: municipal, territorial, Indian and federal?

Hon. Mr. Pearson: I think that unlike a lot of areas of Canada, in particular, because we are such a big place, the government is a very vital sector of the economy of a specific region. I do not think there is any doubt about it. It is certainly an issue that the Macdonald Commission is going to be very cognizant of when they make their recommendations to the Government of Canada.

³³ **Mr. Kimmerly:** I am obviously slightly confused. I heard that there was \$150,000 identified as the six percent salary increase. As the total salaries are not \$25,000,000, what other expenditures are in the \$150,000 there?

Hon. Mr. Pearson: There is a fairly substantial amount of severance pay in respect of people who have terminated their employment with the territorial government in this particular branch. There are some four, I believe it was, new positions that were in fact approved in the budget, without money being provided, which we said at that time we would have to establish because we

did not have pay ranges established. We would have to establish the money through the supplementary estimates. And then the remainder of it, of course, the six percent, is for the staff as a result of the salary increase.

Mr. Kimmerly: I will come back in a moment. I am interested in a little more specific information there. But \$40,000 is identified as support and furniture for the new minister. What is furniture and what is support, and what is the support? Is it one person or more than that?

Hon. Mr. Pearson: It is one person and that desk really only did cost \$1,200. I am sorry, I do not have a breakdown of exactly what the credenza, chair and other furniture did cost. I just do not have that with me.

Mr. Kimmerly: Perhaps I will ask if there is a figure for furniture and what is it?

Hon. Mr. Pearson: No, I am sorry I do not have it. But the minister has just corrected me — that his desk only cost some \$600. A pretty good buy, I would suggest. Now, you must understand that this furniture is not only furniture for the minister but there is a requirement to purchase furniture for his secretary as well; and that, plus all of the other expenses that are involved, is what that number is all about.

Mr. Kimmerly: Under the salaries amount, there was mention of four new positions. What are they?

Hon. Mr. Pearson: Two of them are in the intergovernmental relations branch; one in the executive council office with respect to the Macdonald Commission — it is a permanent position, a typist position, that was established. I am trying to remember the third — I know there were four positions in the budget.

u I am interested in the job titles. If the government leader could find that information, I would appreciate it in due course.

Well, there is a clerk typist II, a clerk typist III, a researcher and clerk typist III for land claims. That was the fourth position. I am sorry. That was the fourth one, the clerk typist III for land claims.

Mr. Kimmerly: Under severance pay, what is the total amount?

Hon. Mr. Pearson: I did not anticipate this kind of detail. I can recall two people who were entitled and got severance pay when they left. One was my secretary, who had been my secretary for some two years. Another was the press relations officer, who terminated his employment and left the territory. He also is entitled to severance pay. There are others in the department who have terminated their employment and most all people, when they leave the government, are entitled to some sort of severance pay.

Mr. Kimmerly: I am interested in the settlement of several employees who left. Two deputy ministers come to mind. Where is that in the budget or the supps?

Hon. Mr. Pearson: I do not know what two deputy ministers he is talking about. He is going to have to get pretty specific if he is going to get answers from me. I cannot read his mind. They would not be in this budget. The deputy minister has not left this department.

Some hon. Member: Justice.

Mr. Chairman: Is that all the general debate on Executive Council Office?

If not, we shall go into line item Operation and Maintenance for \$322,000.

On Operation and Maintenance

Operation and Maintenance in the amount of \$322,000 agreed to On Executive Council Office

Executive Council Office in the amount of \$322,000 agreed to

On Department of Finance

Mr. Chairman: We shall now go to page 14, \$292,000, Finance.

Hon. Mr. Pearson: The six percent salary increase amounts to \$81,000. There is \$64,000 for greater than anticipated telephone charges, greater than anticipated travel requirements and the retainment of a consultant with respect to the capital plan project. That one item, out of the \$64,000, was \$50,000. In addition, there were some financial adjustments that we were required to make and

it falls within this department then, to pick up those financial adjustments and supplementaries. One was an adjustment by the audit services with respect to 1981-82 on the Highway Maintenance Agreement; it was \$96,000. A recovery for 1982-83 work at Old Crow was credited twice by Highways and that meant that we had to come with another \$37,000. There was an adjustment to accounts receivable set up by the Department of Highways and Transportation with British Columbia that amounted to another \$11,000. In addition, we had \$3,000 of write-offs of accounts under \$1,000 that, of course, have to be written off with the approval of the Territorial Treasurer and then have to be reported to the House.

u **Mr. Byblow:** I have only a couple of specific questions but, prior to that, I have a general one.

In identifying the amount of the supplementary, the government leader made reference to a consultant fee of \$50,000 as relating to the capital plan. Could he elaborate on that capital plan because that is the subject of some discussion we have had in the House, with respect to projecting those needs?

Hon. Mr. Pearson: We have been working, along with the federal government, for the past three years, with respect to the development of a 10-year capital plan. They are very difficult to get into place. Once we get it started, we are being told all the time by the federal government, it is fairly easy to keep up. We have found it necessary to enter into a contract with a consulting firm that had had experience, a considerable amount of experience, with respect to the development of capital plans in three of the provinces.

We have retained them; the cost was \$50,000. We are hopeful that we will have our capital plan in place for this forthcoming year and I am quite convinced that we will be recovering this \$50,000 many times over, as a result of the advice that we were able to get from this particular consultant.

Mr. Byblow: On the same subject, I know quite well what capital planning is all about, particularly from a municipal point of view. I know how often they do change, in spite of your best efforts at projection.

The government leader made reference to expecting the plan to be complete the next time he tables the capital budget. Am I to understand that what he is saying is that we will start getting a 10-year plan available with capital budgeting or with the tabling of a capital budget?

Hon. Mr. Pearson: No, this is not something that is tabled. This is a working plan that is used by the Government of Canada. This is something that the Government of Canada, which gives us our capital money, is requiring that we do. It is a working plan that they use, in Ottawa, and we would update it each year — and we are talking about 10 years down the line. There is updating, of course, happening for each current year, but the plan, in its entirety, is 10 years long. That is a federal requirement.

Mr. Byblow: The nature of the updating would, obviously, be one year at a time after that, in terms of an extension to it.

The government leader made reference to audit adjustments. Just for the record and so that I completely understand this, because I had some question about how you adjust an audit and spend money at the same time, I understand that the government leader is telling us there were some double-entries that call on the government to show expenditure in years previous. If that is a correct assessment of the adjustment, please, I would like him to confirm.

Hon. Mr. Pearson: Yes, that is exactly what it is. At the present time, this year's and prior years' accounting adjustments are carried forward in the Department of Finance. It is highly likely that the expenditures or even the double-entries had nothing whatever to do with the Department of Finance, but it is the Department of Finance that does all of this audit work, in the final analysis.

u **Mr. Byblow:** There was a reference to an accounts receivable requirement in some kind of relationship with BC. I do not understand what took place.

Hon. Mr. Pearson: It is with respect to the Department of Highways and Transportation and I am sure all members are cognizant of the fact that we have reciprocal agreements, particularly with British Columbia, in respect of an awful lot of highway maintenance work.

Mr. Byblow: This is probably my final question. Respecting

the accounts that are written off, these will be shown in the annual audit of the government in detail. Is that correct? If not, could he give some indication of the type of things that have been written off? No detail, but an indication of what sort of things government is forced to write off?

Hon. Mr. Pearson: No, they will not be in detail in the public accounts. These are all write-offs of bad debts under \$1,000. I see one here for \$5.00, one for \$417.80; a number are for \$5.00. Most of these kind, \$5.00, the amount is too small to warrant further collection. The same in respect of a \$15.00 item here. I believe that they try and assess just exactly how much of the taxpayers' good money they should spend in trying to collect these debts before they finally do write them off. Then we get some that fall asunder of our legislation, like a company that has a problem in respect to our *Bulk Sales Act* and it ends up being bankrupt and they have a debt to this government. We go through this procedure, if it is deemed to be uncollectable. If it is over \$1,000, it has to be brought to this House and then it has to be itemized. But under \$1,000 these debts can be written off pursuant to the *Financial Administration Act* by the territorial treasurer. I have four pages of them here.

Mr. Chairman: Is that all the general debate? If that is, we will go to the line item Operation and Maintenance, \$292,000.

On Operation and Maintenance

Operation and Maintenance in the amount of \$292,000 agreed to
TDepartment of Finance in the amount of \$292,000 agreed to

On Public Service Commission

Mr. Chairman: We will now proceed with the Public Service Commission.

Hon. Mr. Pearson: Of the total \$242,000 supplementary estimates, \$42,000 represents the six percent salary increase to the staff of the Public Service Commission; \$63,000 is additional salary dollars that were paid out in various departments for the conversion of casual and contract employees to permanent employees. You will recall I was asked a question in the House about this by one of the members opposite some time ago and, if my memory serves me correctly, I believe we converted some 35 positions from casual or contract to permanent as a result of the very close study that we did as a result, once again, of questions from opposition members. And it also, of course, culminated in the transfer back to the Public Service Commission of the responsibility for keeping the records of casual hirings. So, because of transferring these people and putting them on permanent staff, there was an additional \$63,000.

¹⁷ We have spent some \$50,000 on classification consultants to review and recommend major changes to the existing classification plan. This is work that is done primarily in conjunction with the collective bargaining units. Over the course of this summer, the department availed themselves of the help of a law student to do some research specifically in the area of labour relations. That was some \$10,000. We have, over the years, developed a fairly extensive resource library in the Public Service Commission and over the course of the summer spent \$14,000 hiring a local person as a librarian to bring this library up to date and catalogue it. In addition, there is some \$63,000 that has been spent on instructors and in-house educational courses for the Public Service.

Mr. McDonald: The government leader said that there was \$63,000 allocated to the conversion of approximately 35 casual contract workers to permanent workers. Could he say whether or not the \$63,000 represents the administrative costs of the turnaround or increased wages/benefits for those 35 positions?

Hon. Mr. Pearson: No, I am sorry I did not make that clear. This is the increased wages and benefits, not the administrative cost.

Mr. McDonald: Did he also say — I assume that this is an ongoing thing — that the conversion from casual to contracts completed to the satisfaction of the Public Service Commissioner, or what stage of this conversion are we at at the moment?

Hon. Mr. Pearson: No, it took a fairly long time and an awful lot of consultation with the departments, but we identified every contractual and casual position in the government, then determined which ones were, in fact, no longer casual or contractual and should be made permanent. The others have been confirmed as casuals and

have been dealt with under the casual rules pursuant to the legislation or have been confirmed as contract employees and have been dealt with pursuant to the rules of the legislation. However, we found it necessary, in order to meet the aspirations and the requirements of the departments, to make 35 — I believe it was 35 — of these positions permanent.

Mr. McDonald: Perhaps the government leader could just say whether or not he knows whether any particular department would have a preponderance of casuals. I am thinking of Highways as perhaps one of the major culprits.

¹⁸ **Hon. Mr. Pearson:** The two real big users of casual employment, just because of the nature of their work, are highways and transportation and renewable resources. Those two departments have fairly large casual staffs in the summertime. Once again, as I said, it is primarily because of the nature of their work, the Department of Education has a fair number, but not anywhere near the number of casuals that both highways and renewable resources use in the summertime.

Mr. McDonald: I asked a question of the government leader. I believe, last week, regarding the informing of casual employees of their rights and obligations prior to their being hired on, so that they might know what the score is, so to speak. I mentioned to the government leader, I think, in the preamble to the question, that there is a standard practice in employee-employer relations where there is a disciplinary guide, which is distributed to employees so that they know precisely what rights and obligations that they have with their employer. This is necessary in order to promote fair play in the disciplining of employees and to promote good industrial relations practice. I am wondering if the government leader has investigated this, at all, and if he can say whether or not such an orientation exists?

Hon. Mr. Pearson: I am sorry, I have not raised that issue with the Public Service Commissioner. I will undertake to do so and get an answer for the member.

Mr. McDonald: The government leader mentioned that they had brought in classification consultants and connected that, in some way, to the sort of arrangement made in collective bargaining. I wonder if he could expand on that and explain it.

Hon. Mr. Pearson: We use, in this government, for the purpose of a pay plan, a classification scale system. It is very intricate and very, very extensive. Not only are all of the positions in the territorial government assigned to one of these particular classifications, but, then, built into each classification is also a five-step increment scaled plan that goes along with it.

Of course, there is always work that is required to be done with respect to updating these classifications. A lot of times it is required as a result of negotiations and other times it is required as the market dictates. It is supply and demand that dictates the renegotiation or reclassification of some of these positions.

Mr. McDonald: The fact that this is a supplementary suggests that this was not budgetted for in the last budget. First of all, perhaps the government could tell us why it has been budgetted now and it was not planned for when the original estimates were tabled last spring?

Hon. Mr. Pearson: We perceived, after the budget had been prepared, the necessity to do this and determined that we did have the funds in our cash balances to be able to carry out this work. We felt that, for the benefit of all, we should proceed with the work. But, it is true, we just did not, at the time of putting the budget together, perceive that we were going to have to do it.

¹⁹ **Mr. McDonald:** There are only a couple of brief questions then. The government leader mentioned that there was \$10,000 allotted for a labour relations person/consultant and mentioned that it was a student. I wonder if he could elaborate a little on that expenditure?

Hon. Mr. Pearson: It was a law student. He was not working in labour relations. He was a law student and he was hired primarily to set up an inventory of labour relations cases that we have been dealing with over the years.

Mr. McDonald: There are, of course, sets of such cases available for almost anybody to read in law libraries and there are various standard texts which hold these cases together to give them

some sort of meaning so you can discover patterns of various sorts. I can think of two of those texts. I am just wondering what the purposes of collating these cases would be and what sort of cases are they? Are they cases that just deal with this government alone or cases that have been experienced by this government alone, or is it something else?

Hon. Mr. Pearson: I would think that there was a considerable amount of work done in respect of getting together cases that have been dealt with by other governments throughout Canada as well.

Mr. McDonald: Perhaps the government leader could ask the public service commissioner, or perhaps I could myself, whether the standard texts on labour relations cases which come out monthly were not satisfactory. In any case, if the government leader cannot answer that I can perhaps ask the public service commissioner.

The government leader mentioned that \$63,000 would be spent on instructor courses for education throughout the public service. Is this expenditure for all departments and what sort of education are we talking about?

Hon. Mr. Pearson: Yes, we have had two-day workshops in respect of supervisors' roles and discipline organizational diagnoses, training strategies, effective training, the effect of training assistance, and professional development of executive secretaries. We have training packages that we have presented to employees in respect to assertiveness training, cross-cultural training, report writing, interview techniques, selection interviews, discipline interviews, counselling interviews. That is the kind of thing that primarily goes on.

Mr. Kimmerly: Just a short follow-up. What assertiveness training was given the Cabinet ministers?

Hon. Mr. Pearson: Does he really expect me to answer? Surely that must be his answer.

Mr. Chairman: Is that the end of general debate?

If so, we will go into Operation and Maintenance for \$242,000.

On Operation and Maintenance

Operation and Maintenance in the amount of \$242,000 agreed to
Public Service Commission in the amount of \$242,000 agreed to

On Yukon Liquor Commission

Mr. Chairman: We shall now go down to Yukon Liquor Corporation, \$186,000, page 34.

Hon. Mr. Ashley: This is all funds that were for the employment stimulation program for projects. For Whitehorse, there was replacement of three main and auxiliary furnaces in the corporation warehouse in Whitehorse. The cost of this project will be \$25,000 and it will entail two person-weeks. The next project is Dawson City to replace floor tiling in retail sales office and entrance areas and to redecorate the interior of the areas as well. That is two person-weeks for \$7,000. Mayo is \$1,600, a half person-week, to install a photoelectric control system in the Mayo liquor store. In Whitehorse, there are 64 person-weeks for \$100,000 to renovate and upgrade the administrative offices, central hallway and washroom areas in the central warehouse. Then, in Whitehorse again, to alleviate traffic hazards and corporation security — break-in problems that they have been having — there is a six person-week, \$47,400 project. Then in Watson Lake there is \$5,000 and a half person-week to retiling the floor in the Watson Lake liquor store. The total is 75 person-weeks and \$186,000.

Mr. Speaker: Is there any general debate.

If not, we will go onto line item Capital for \$186,000.

On Capital

Capital in the amount of \$186,000 agreed to
Yukon Liquor Commission in the amount of \$186,000 agreed to

On Loan Amortization

Mr. Chairman: I now refer you to page 49, Loan Amortization.

Loan Amortization in the amount of \$1,436,000 agreed to

On Total, Schedule A

Mr. Kimmerly: If I may, I have one simple question about recoveries on page 41. There is a detail for Justice on page 44. We voted a supp of \$102,000 for legal aid. Do these recoveries include

federal transfer payments? I am wondering about the approximately \$50,000 that I would expect to see there.

Hon. Mr. Ashley: I will answer that. This is above what we are getting from federal money.

Schedule A in the amount of \$28,331,000 agreed to

On Clause 2

Mr. Chairman: We shall now go back to Clause 2.

Clause 2 agreed to

On Clause 3

Mr. Chairman: Before you go on to Clause 3(2), I refer you to Schedule B for your information.

Clause 3 agreed to

On Clause 1

Clause 1 agreed to

On Title

Title agreed to

Hon. Mr. Pearson: I move that you report Bill Number 29 without amendment.

Motion agreed to

Mr. Chairman: The *Fourth Appropriation Act, 1983-84* has been cleared through the Committee of the Whole.

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

Motion agreed to

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of Committees?

Mr. Brewster: The Committee of the Whole has considered Bill Number 29, *Fourth Appropriation Act, 1983-84*, and directed me to report the same without amendment.

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

Some hon. Members: Agreed.

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Lang: I would move that we do now adjourn.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs that the House do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 1:30 Monday next.

The House adjourned at 5:24 p.m.

The following Legislative Returns were tabled November 10, 1983:

Rural residential lots (Lang) W.Q. No. 13

Children apprehended by the Department of Health and Human Resources (Philipsen) W.Q. No. 12

