



# The Yukon Legislative Assembly

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Number 26

4th Session

25th Legislature

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## **HANSARD**

Thursday, May 3, 1984 — 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, Recreation and Culture
Hon. Clarke Ashley	Klondike	Minister responsible for Justice; Yukon Liquor Corporation; Yukon Housing Corporation; and, Workers' Compensation Board
Hon. Andy Philipsen	Whitehorse Porter Creek West	Minister responsible for Health and Human Resources; and, Government Services

## GOVERNMENT MEMBERS

(Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
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

<sup>01</sup> **Whitehorse, Yukon**  
Thursday, May 3, 1984 - 1:30 p.m.

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

*Prayers.*

#### DAILY ROUTINE

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

Are there any returns or documents for tabling?  
Reports of committees?

#### REPORTS OF COMMITTEES

**Mr. Penikett:** I have for tabling the Fifth Report of the Standing Committee on Public Accounts.

**Mr. Speaker:** Petitions?  
Introduction of bills?  
Notices of motion for the production of papers?  
Notices of motion?

#### NOTICES OF MOTION

**Mr. Penikett:** I move that the Fifth Report of the Standing Committee on Public Accounts, presented in the House on May 3rd, be concurred in.

**Mr. Speaker:** Are there any further notices of motion?  
Statements by ministers?  
Oral questions?

#### QUESTION PERIOD

##### Question re: Campbell Highway upgrading

**Mr. Byblow:** I have a question for the Minister of Highways.  
<sup>02</sup> The minister was recently quoted as opposed to upgrading the Campbell Highway because such a move might detract from north bound traffic passing through Whitehorse. Is this position a policy of this government?

**Hon. Mr. Tracey:** No, I did not say that I was opposed to upgrading the Campbell Highway. It is in our schedule to upgrade the Campbell Highway. We have to look at the highways that are most important to the territory right now. The Campbell Highway does not rate as one of the most important. I can inform the member that engineering work will be done on the Campbell Highway next year. If all goes well and if the MacPass developments go ahead, we are scheduling construction to start perhaps in 1986.

**Mr. Byblow:** I appreciate the minister's answer. It raises in my mind a question of contradictory policy between his department and that of tourism. On the one hand, traffic is encouraged down the main Alaska Highway corridor, and on the other hand, the government claims to encourage support for regions that are not principle corridor routes. How does the minister reconcile the apparent contradiction there?

**Hon. Mr. Tracey:** I do not see any contradiction at all. There is a road there. Tourism can be promoting the road and I hope it does so. When the traffic is justified, on the road, the road will be upgraded the same as every other road in the territory. You just do not build a four lane highway because someone thinks there should be a road there. You have to have the justification for it.

**Mr. Byblow:** Can the minister confirm whether or not the engineering studies that he proposes for the upgrading of the Campbell Highway are specifically for the portion from Ross River to Watson Lake?

<sup>03</sup> **Hon. Mr. Tracey:** No, I cannot give the member the specifics of the upgrading of the Campbell Highway; I would have to go back to my department and find out exactly what sections they are talking about working on. All I can inform the member is that the

department has it in its schedule of work to be done to start engineering on the Campbell Highway in 1985.

##### Question re: Seat belts

**Mr. Kimmerly:** I have a question for the same minister, concerning safety on the highways.

Approximately three years ago, the legislature debated the question of seat belts. Is there now an ongoing public education program encouraging the use of seat belts?

**Hon. Mr. Tracey:** Yes.

**Mr. Kimmerly:** Is the minister able to say if the actual use of seat belts is monitored and is there a change in their use?

**Hon. Mr. Tracey:** No, I could not give the member that answer. I am not aware of whether it is monitored or whether we have noticed a change in use. Our obligation, as we took it on a year or two ago, was that we try to advertise the use of seat belts in the territory.

**Mr. Kimmerly:** Has the minister consulted with the insurance industry to determine whether increased use of seat belts would result in lower insurance rates?

**Hon. Mr. Tracey:** The department may have, I am not aware of whether they have or not.

##### Question re: Alaska Highway near Morely River

**Mr. Porter:** A question to the same minister. My colleague, the member for Faro, has prompted me to question the minister about the abysmally bad 50-mile section of the Alaska Highway south of Morley River. Can the minister inform the House what he has done since the matter was brought to his attention?

**Hon. Mr. Tracey:** Yes, and I will also explain why the situation arose in the first place. That section is BST and every year, in the spring, we have the emulsion coming in from Edmonton. It is calculated when the spring weather is going to be upon us and the roads are going to be in need of repair. Unfortunately, this spring came a little early. The emulsion was not delivered in time to repair the holes. We had a problem with holes in the BST. There are presently three crews working on that section right now. It should be completed by tomorrow; the patching should all be completed.

**Mr. Porter:** The minister stated that the emulsion needed for the necessary repair work was delayed in shipment. Can the minister explain as to why the emulsion was delayed?

**Hon. Mr. Tracey:** I did not say it was delayed in shipment. I said spring came a little earlier than usual, so the order for the emulsion was put in too late for the actual spring that happened to us. The department has to make a value judgement every year because we cannot leave the emulsion sitting around. If it freezes, it is no good. The department has to make a judgement as to when it puts the order in. Unfortunately, spring came a little to early for the department this year.

<sup>04</sup> **Mr. Porter:** I understand that the federal and territorial governments have a joint agreement for the maintenance of the Alaska Highway. Under that agreement, which level of the governments has responsibility for the standards of safety for the Alaska Highway?

**Hon. Mr. Tracey:** The maintenance of the Alaska Highway and the construction of the Alaska Highway is the responsibility of the Government of the Yukon Territory. It is funded by the federal government, but all of the Alaska Highway is under the administration of the Government of Yukon.

##### Question re: Long Lake Road, dangerous corner

**Mrs. Joe:** I, too, have a question for the Minister of Highways.

Following questions to the former Minister of Highways, regarding a dangerous corner on the Long Lake Road, guard rails were erected by that department. Since a small section of the corner still does not have guard rails and is considered dangerous, will the minister's department consider extending those guardrails to make it safer?

**Mr. Speaker:** The hon. member would appear to be making a representation, again, but I will permit the minister to answer the question.

**Hon. Mr. Tracey:** Additional guard rails were put on the road, a couple of years ago — I think it was 1982 — and there is no work planned for putting extra guard rails on that road, at the present time. The question of safety is a value judgment, I suppose, and it depends on the amount of traffic that is on the road, to justify having the guard rails on there.

I should also state that, if the road is ever upgraded, they would probably have to be moved. Under any circumstances, the department does not feel that additional work is necessary on the guard rails, at this time.

While I am on my feet, I should clarify the answer to the member for Campbell that I gave; the federal government funds the construction on the Alaska Highway, but the work and the maintenance of the road is under the jurisdiction of the Government of Yukon.

**Mrs. Joe:** I would like to ask the minister, again, if he would consider studying those guard rails, with a view of extending them, so that they would be a bit more safe.

**Mr. Speaker:** It appears that the member is not making a representation, but asking the minister if he is considering something?

**Mrs. Joe:** Yes.

**Mr. Speaker:** Proceed.

**Hon. Mr. Tracey:** I think I have answered the question. It is not my department's intention, at this time, to extend the guard rails on the Long Lake Road. It is not felt that it is justifiable to put the guard rails up, because of the amount of traffic that is on the road. There has not been that much need for them and, as I stated, if the road is upgraded, they would have to be moved and rebuilt.

**Mrs. Joe:** Local historians have indicated that part of the old road was located along the riverbank; in fact, safer than the existing one. Has the minister's department considered that as an alternate route?

**Hon. Mr. Tracey:** I would imagine that if my department was looking at moving the road, they would consider all of the options, including the old road.

#### Question re: Tungsten Road upgrading

**Mr. McDonald:** I have a question, believe it or not, for the same minister.

There have been suggestions, recently, that there are plans to upgrade the Tungsten Road that branches off the Campbell Highway. Can the minister say if there is any substance to these rumours and, if so, what sort of upgrading will take place?

**Hon. Mr. Tracey:** I missed the first part of his question, there, so I did not understand the whole question.

**Mr. McDonald:** The first part of my question merely identified that we were talking about the Tungsten Road that branches off the Campbell Highway.

**Hon. Mr. Tracey:** We are presently having meetings and talking with Cantung and DIAND and Public Works Canada, with regard to the Cantung Road. The mine has approached me to have us take over the maintenance of the road that they are now required to maintain.

In order for us to take it over, we have to be able to justify that to the federal government. The contract that the road was built under put the onus on the mine to justify the traffic that was on the road before we would take over the maintenance of the road.

Right now, we are busy with negotiations to see whether we can take over the maintenance of the road, in order to save Cantung some money, so that they can go back into production. It is very costly for them. They are running a borderline operation, right now, and it is very unlikely that they will be able to go back into production very soon, unless they can cut some of their costs.

**Mr. McDonald:** I have a brief question of clarification.

Is the minister saying that, under the current financing arrangements, Canada Tungsten currently maintains the road, entirely, itself?

**Hon. Mr. Tracey:** No, Cantung only maintains a portion of the road.

**Mr. McDonald:** I have a further brief question of clarification. Can the minister say when the cost-sharing arrangements will be

completed and when a decision will be made as to who pays for what and where?

**Hon. Mr. Tracey:** It is quite plain right now who pays for it: we pay part of the maintenance of the road and Cantung is required to pay the other.

<sup>17</sup> We are presently trying to renegotiate to get a more favourable position for Cantung mines so that they can operate on a cheaper basis. It is very costly for them to maintain the short stretch of road that they have. Although under the contract they are required to do so, we are trying to reduce the amount that is required.

#### Question re: Highway turn-off lanes

**Mr. Penikett:** I also have a question for the Minister of Highways. It is not about the early spring, which I am enjoying tremendously.

Does the Department of Highways have any set criteria to determine when highway turnoff lanes, or ramps, will be constructed at major intersections?

**Hon. Mr. Tracey:** I am not aware of any. I suppose that there are; there certainly should be. They are set according to engineering designs and traffic on the road. I am not aware of them personally. I know that there are.

**Mr. Penikett:** Since the Whitehorse airport is currently being extensively upgraded and modernized, has any consideration been given by his department to the idea of construction of a turn lane on the Alaska Highway at the Whitehorse airport intersection?

**Hon. Mr. Tracey:** I am not sure whether they have or not. I will take it under advisement.

**Mr. Penikett:** Would the minister at the same time take as notice this question: has the minister, or his department, made any specific representations to the federal government with regard to upgrading of the airport intersection in the interests of safety?

**Hon. Mr. Tracey:** I will take that under advisement as well.

#### Question re: Mount Nansen Road

**Mr. Byblow:** I have another question on highways for the minister. This one much closer to the minister's heart, or at least to his riding. It is on the subject of the Mount Nansen road. Is it the long range plan of this government to eventually extend this road as a corridor past Aishihik to Haines Junction?

**Hon. Mr. Tracey:** The ultimate plans of the government have been, and I think will continue to be, the ultimate construction of a road from Carmacks to the Alaska Highway, although it would not follow the Mount Nansen road. There was a survey done a few years ago, and the actual proposed road follows neither the Mount Nansen Road nor the Freegold Road. It goes part way down the Freegold Road and then diverges from it. That is in the long term plan. That is going to require showing the necessity for the road: a mine or two being out in the area or Cyprus Anvil deciding that it wants to haul to Haines, Alaska and is interested in partially funding a road across there, or some other reason to justify the expenditure.

**Mr. Byblow:** The minister talked about the justification of expenditure. In the negotiations for capital monies from the federal government for new highway construction, what priority does this proposed "Tracey Highway" have in those negotiations?

<sup>18</sup> **Hon. Mr. Tracey:** I would like very much to be able to build a highway there and call it the Tracey Highway. It would not hurt my feelings a bit. I would very much like to see the road there, but it is not in our schedule of negotiations with the federal government. We are presently trying to upgrade the roads that we do have, without considering building new ones.

**Mr. Byblow:** What does the minister consider the primary development purpose of that highway? The minister referred to the possibility of Cyprus Anvil ore going that route; there is the prospect of mining in the area; there is a possible tourist corridor to the Tracey Park. Which is the primary development purpose that the minister is citing for developing this road?

**Hon. Mr. Tracey:** All of those would have to be taken into account.

#### Question re: Highway maintenance costs

**Mr. Kimmerly:** Again about roads, but also about maintenance costs and wear and tear on vehicles. Has the government studied the relative economics of the cost of upgrading highway surfaces as related to the costs to individuals of wear and tear on private vehicles?

**Hon. Mr. Tracey:** Unfortunately, it is very hard for the government to take that into consideration. That is more a political consideration than it is an economic one for the government. The government and the department have to take into consideration the cost of maintenance versus the cost of upgrading the surface, so as to reduce the overall cost to government. I recognize, as a person who has driven the gravel roads for years and years and the cost of maintaining my own vehicle, that perhaps in some cases it should be taken into account. But it is based on the traffic on the road and the cost of maintaining the road.

**Mr. Kimmerly:** Specifically, about the famous Yukon windshields: has the department considered the kinds of road maintenance that would reduce windshield damage from flying gravel?

**Hon. Mr. Tracey:** Yes, that should be fairly obvious. We BST the roads so that they have a hard surface.

**Mr. Kimmerly:** This minister is also the Minister of Consumer Affairs. Has the minister considered publicizing consumer information about which types of vehicles are most efficient on Yukon roads?

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

#### Question re: Highway load limits

**Mr. Porter:** To the same minister: according to responses made to the Parliamentary Standing Committee on Indian Affairs and Northern Development last November, the Carcross/US border section of the Carcross/Skagway Highway is to have a gross vehicle weight rating of 9,000 kilograms as compared to the upgrading to 63,500 kg GVW rating for the Carcross/Alaska Highway section of the highway. Has the minister made any representations to the federal government asking for further upgrading of the Carcross/border section of the Carcross Highway?

**Hon. Mr. Tracey:** No, and we will not be doing so until we get the report from the CTC, which will at least give us some information as to whether we should be proceeding to open the Skagway Road. We are also involved in the reconstruction of the Skagway Road and, if the federal government, in its wisdom, keeps providing money for us to upgrade the road, we will continue to do it.

**Mr. Porter:** Have any estimates been provided to the minister indicating how long it would take to upgrade the Carcross border section to the same standard as the Alaska Highway, at the Carcross Road?

**Hon. Mr. Tracey:** I suppose my department could come up with those figures and the time required, but we have not done so, as yet.

**Mr. Porter:** Recently, there have been some concerns expressed about the application of BST on Yukon highways. Can the minister tell the House if his department is experiencing any major problems, with regard to the BST program?

**Hon. Mr. Tracey:** Not major problems, no.

#### Question re: Skagway Road load limits

**Mrs. Joe:** I have a question, again, for the Minister of Highways.

On April 19th, my colleague, the member for Faro, asked the government leader if he had any idea what effect the American decision to chipseal its side of the Skagway Road would have on the load limits for the roads. Can the Minister of Highways answer that question today?

**Hon. Mr. Tracey:** The use of chipseal on the road has absolutely nothing to do with the capability of the road to carry the weight. It is a maintenance process to save the government money.

**Mrs. Joe:** Also, with regard to the Skagway Road, could the minister tell the House how many run-offs, or escape ramps, there are on the Canadian side of the Skagway Road?

**Hon. Mr. Tracey:** There are no run-off or escape ramps on the Canadian side of the road. We do not have the very steep grades

that they do in Alaska and, because trucking is not allowed on the road, we have not put escape ramps on the road, yet. If and when trucking is allowed over the road, then the government would have to look at escape ramps.

#### Question re: Mayo Lake - Duncan Creek Road

**Mr. McDonald:** I would have thought that, perhaps, some people might want to escape the road for fear of poor maintenance.

The Minister of Highways may be aware that tourism development in the Mayo district will be greatly assisted by encouraging tourists to use the circle route, which includes the Mayo Lake-Duncan Creek road. Can the minister say if the government is planning to upgrade this road to permit tourist bus traffic during the summer?

**Hon. Mr. Tracey:** I was told to ask where the Duncan Creek road is, but I know where it is.

Yes, we are looking at upgrading the Duncan Creek road; in fact, we will be doing some engineering on the road, this year, to find out just exactly what we will have to do and what the cost will be.

**Mr. McDonald:** Of course, the most serious impediment to bus traffic on that particular road is generally considered to be some severe curves, some areas where there is poor drainage, and at least one hillside which is constantly sluffing. Is the minister planning to address these problems in the next capital budget in the near future, so that tourist operators may plan, with some security, to use that road next year?

**Hon. Mr. Tracey:** I will take that as representation.

**Mr. McDonald:** You can take it as representation and a question.

It is my understanding that the erection of points of interest signs are the responsibility of the Department of Highways, and I understand that requests have been made to have some signs erected on the Mayo Lake/Duncan Creek Road. Can the minister say if the department will be erecting these signs this year?

**Hon. Mr. Tracey:** The point of interest signs are jointly between Tourism and Highways. Highways has a responsibility for all signing on the highways; however, Tourism is the department that develops the point of interest signs and makes the request to have them put up. If the Department of Tourism comes forward to the Department of Highways with the point of interest signs, I am sure that we will take it into serious consideration.

#### Question re: Upgrading South Access Road

**Mr. Penikett:** I have a question for the Minister of Highways. In view of the large number of visitors from the south who first approach Whitehorse by way of the South Access Road, even though that road is within the jurisdiction of the city of Whitehorse, has the minister or any other minister of this government expressed an interest in repairing or upgrading this road, particularly the north end?

**Hon. Mr. Tracey:** As declared by the statement made by the member across the floor, the jurisdiction of the road is partially the city's and partially the Government of Yukon's. It is the Government of Yukon's down to the NCPC area, but along the river it is the city of Whitehorse. Any representation to upgrade that section would have to be made to the City of Whitehorse. I recognize the concern of the member across the floor. I often drive over that road myself and I am concerned as well. But it requires an expenditure by the City of Whitehorse to upgrade the road.

**Mr. Penikett:** I understand the minister's answer and appreciate that he corrected my information.

Given that special conditional grants have previously been made available to the city for projects that this government deems high priorities — Mountainview Drive, for example — has this or any other minister had discussions with the city regarding the urgent repair necessary in this road, which I am sure the minister agrees about, particularly at this north end which is, as the minister says, within the jurisdiction of the City of Whitehorse?

**Hon. Mr. Tracey:** I have not personally made any representation to the mayor or the city council; not at this time. At some future time I intend to speak to them. I am not sure whether the Minister of Municipal and Community Affairs has spoken to them.

because they would probably take their money out of the capital program that we provide for them. Perhaps that minister could be asked the question?

**Mr. Penikett:** Let me try the Minister of Highways again, because he seems to be more understanding of this problem.

When the Minister of Highways talks to the City of Whitehorse about this question, in the interests of getting the South Access road users, be they tourists or Wolf Creek residents, or Hootalinqua residents, safely into Whitehorse, is it the intention of the minister, or has the minister decided whether it would be prudent, to offer extra funding to the City in order to achieve this repair or reconstruction of this heavily used and seriously deteriorating piece of road?

**Hon. Mr. Tracey:** As I stated in my last question, I think that it would be more proper to direct that to the Minister of Municipal and Community Affairs, whose responsibility the City of Whitehorse would fall under.

**Question re: Campbell Highway, Eagle's Nest**

**Mr. Byblow:** You would not believe it, but I have another question for the Minister of Highways.

I continue to receive complaints, particularly now during any wet weather, about the infamous Carmacks-Eagle's Nest bluff section of the Campbell highway. The public issue seems to be one more of safety than cost. For the record, what happened that permitted such a substandard road surface to be put on that 20-mile stretch?

**Hon. Mr. Tracey:** For a great number of years there was a pit north of Carmacks where they crushed rock material and used it on the roads. It was excellent material. Unfortunately, for some reason, we suddenly got into an area where the material, when it got wet, turned into mud and was very slippery mud. It was unfortunate. We are not using it anymore. As I stated last fall in the legislature, we are intending to mix crush with it in order to stabilize it. We are not using the pit anymore. I cannot understand why the material suddenly changed.

**Mr. Byblow:** Does not the highways department have a procedure for testing materials that are used on roads surfaces. How could that have been ignored for the several months of application on that section of road?

**Hon. Mr. Tracey:** If you are using a pit for 15 years and it is the best material you have in the country, you do not continue expending money testing the pit. It is unfortunate that, in this case, they must have got into some different kind of material in the mountainside and when it rained the problem came to light. Until then, there was no problem. It was not months in application, it was done in a matter of a few weeks.

**Mr. Byblow:** Related to the same highway, can the minister say whether or not during this year there is any intention to upgrade or install guard rails on sections of that Campbell highway between Carmacks and Ross River?

**Hon. Mr. Tracey:** I cannot answer that question because I do not have the information in front of me.

**Question re: Old Sawmill Road**

**Hon. Mr. Tracey:** I have a question for the same minister.

On November 16th, 1982, I raised a question with the Minister of Municipal Affairs, regarding the upgrading of the Old Sawmill Road, located at Albert Creek, north of Upper Liard. In view of the fact that the issue has been left unresolved for a year and a half, and since the Minister of Municipal Affairs has refused to do anything about the issue, will the Minister of Highways undertake to upgrade the Old Sawmill Road, near the community of Upper Liard?

**Speaker's Ruling**

**Mr. Speaker:** I think that question is both argumentative and making representations, but if the member was to ask if the minister is considering something, perhaps that would be more in order.

**Question re: Recreational lot access road maintenance**

**Mrs. Joe:** I have a question, again, for the Minister of Highways.

Over the past winter, we received a number of complaints about

maintenance and snow clearing on the access roads to recreational lots. Can the minister tell us if all recreational roads are assigned the same priority of attention by the department?

**Hon. Mr. Tracey:** I find it very hard to answer that question because, in some recreation areas, perhaps, there is no need to maintain the road as often as there is in others. The Tagish road, for example, would require a lot more maintenance than some other recreation roads in the territory. I have a hard time giving a specific answer to the member: it would all depend on the amount of traffic and the requirement for the maintenance.

**Mrs. Joe:** I will direct this question to the government leader.

Since some sections of access roads to cottage lots appear to receive less maintenance than others with the same amount of development, can the minister tell us if this level of service is reflected in the property tax rates?

**Hon. Mr. Tracey:** The property tax rates were increased on cottage lots and one of the reasons they were increased on cottage lots and made consistent with all the other areas of the territory was that the government was doing more and more maintenance and providing more and more service to cottage lot areas; not just road maintenance, but other services. Power was being provided in certain areas, and things like that.

The maintenance of cottage lot roads is the same as any other road in the territory. They are maintained on an as-required basis. We maintain the Alaska Highway on an as-required basis; that basis is set out by a schedule of the traffic and the number of vehicles over it every day and the cost of maintenance. It is exactly the same on every other road, including cottage lot roads.

**Question re: Mitchell Highway upgrading**

**Mr. Byblow:** I have one very brief question to the Minister of Highways.

When is it the plan of this government to continue and complete the Mitchell Highway upgrading?

**Hon. Mr. Tracey:** When it is required.

**Mr. Speaker:** That brings Question Period to an end. Orders of the Day?

May I have your further pleasure?

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

**Mr. Speaker:** It has been moved by the hon. Minister of Municipal and Community Affairs 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 the Committee of the Whole to order.

At this time we shall recess until 2:25 and, when we return, we will continue with Bill No. 12, *Second Appropriation Act, 1984-85*. We are on general debate with the Department of Education.

*Recess*

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

**Bill No. 12: Second Appropriation Act 1984-85 — continued**

**Mr. Byblow:** With precise answers and congenial discussion, we should be able to wrap up general debate in a moment.

I gave the minister notice that I had a couple of questions on French language and, because we have discussed the subject over the past couple of weeks in Question Period, I will not necessarily recap the issue in any total form. The minister also addressed it in her opening remarks. However, in brief, the minister appears to be saying that the request from the Association Franco Yukonais is currently under review and under that review is the consideration of the total delivery of French programs in the territory, which number several. On the subject of the program that the Association Franco Yukonais has requested to be put into the school system this fall, I

raised yesterday in Question Period the constitutional requirement under section 23 of the *Charter* and for a moment, what I want to ask the minister surrounds that particular aspect of the issue.

<sup>14</sup> Previously the minister said that the numbers identified by the association of 67 was an accurate number and that is fair. We seem to have some disagreement in general about whether that number is an acceptable number according to the constitutional frame of reference in section 23 of the *Charter*. The phrase that is used there is "where numbers warrant". To be specific, I would like, firstly, to ask the minister if she feels that the constitutional requirement is being met by the potential 67 students identified by the association?

**Hon. Mrs. Firth:** I am not quite sure what the member is asking. Perhaps he could restate his question.

<sup>15</sup> **Mr. Byblow:** Let me put it this way: as I understand the situation, the *Charter* identifies a right of French language instruction, where numbers warrant. The numbers have been identified as 67; does this government have any constitutional question about that?

**Hon. Mrs. Firth:** Of course we would, because, according to the *Constitution*, French language education has to be provided to francophone students. In this case, we have French language education only to the grade three level, in immersion, per se.

I understand the request is for kindergarten to grade nine, so it is obvious to deduce that the students from grade four to grade nine would have to be in the English system, in Yukon, because we have no immersion extension, as of yet, and that the only French language education that would be provided those students is as French as a second language, which is a compulsory course in high school, with which the member is familiar.

**Mr. Byblow:** I am not sure if I am clear about whether or not the government receives any constitutional question pertaining to the numbers.

If this government does not have any problem, constitutionally — that 67 is questionable in terms of where numbers warrant — let me put the extension to that question and ask why do we seem to have a problem in any kind of development of the issue?

<sup>16</sup> **Hon. Mrs. Firth:** I will explain it and I will try to be as logical as I can with it. The government recognizes that it has the constitutional obligation to francophones. I have said that before on behalf of this government. We recognize that the constitution says that the governments of Canada have an obligation to provide to certain individuals, and the criteria is set in the constitution, an educational service in their language, which is French, where numbers warrant. Now, the constitution does not decide what the numbers warrant are; the government of the province or territory decides that and makes it their policy. We have not made that decision as a government. When we take into account the various decision or the various options and so on that have to be considered, we have also taken into account and stated publicly that we also recognize that the federal government, the Government of Canada, has committed assistance with finances. They have sent us a letter giving us a commitment that they would be prepared to assist us.

The decision that this government has to make, and a responsible decision that it has to make, is: how much assistance are we going to look for from the federal government? We have 67 children who are stated who would attend this school. That is about 1½ percent of the population of children in Yukon; the student population. So, the territory has to decide as a government how much funding are we prepared to commit to that 1½ percent of the population.

<sup>17</sup> We have to know what the federal government is prepared to give us. This is a jurisdiction of the federal government, not ours. It is not like us making a decision for some new program we are going to establish that is within our realm of responsibility. The *Constitution* has designated this and they have stated in provinces that they are prepared to give support to the Government of Canada. We have written a letter to them being more specific about support that they are prepared to give us, in more concrete terms.

The member for Faro asked me a question in the House about some submission that had been made to the Government of Canada and had been withdrawn. I had no knowledge of that submission until the member raised it and I questioned the department. The

officials had been in communication with the Secretary of State regarding more specific funding, at which time they were told to withdraw the submission and we would identify these concerns in the bilateral agreement, which has since been done. It was simply a commitment to continue the present funding for the immersion program and the French language adult program in Yukon.

When we take into account all these factors, we have to take into account the long term impact that this could have. The member mentioned that we have to decide how many French programs we are going to have here. I have a very great concern, and I have to express this to my colleagues and caucus members, that if we establish the program cadre what impact is that going to have on the presently established French immersion program? I can see that there are francophones in that program now; if they have their own program, it will dilute the immersion program. Is there a possibility that we are going to have to have multi-grades in the immersion program?

<sup>18</sup> We are already going to have multi-grades in the program cadre. I think there are a lot of parents who would be very concerned if the immersion program was going to be so affected. We are also considering splitting the immersion program to the Selkirk School and the Porter Creek school, because it is growing and we are running out of space at the Whitehorse Elementary School.

When we consider the program cadre, we are again faced with a decision to make and a problem of where we will put the program, where are we going to be able to locate it, and which school in Whitehorse is going to have the ability to take that program? So, I appreciate that when the media reports the situation and the members ask questions — and I have been talking to the association — it looks like the government is stalling and is putting off making a decision, but we are not.

There are many actors in this decision, in this play. The communications the member indicated I had had a year ago; well, those communications were the Canadian Parents for French, it was not the association. We had communications strictly with regard to the immersion program and French as a second language.

Then, I received a request from the education director, Madame Henderson, of the Association Franco Yukonais. I received that request late in July; it came to the department. I went on holidays for two weeks, so I did not actually receive the letter until mid-August. Since receiving that letter, I have met with them at a public meeting. They indicated their desire to work with the government. They would go to the school committees; they have been doing that. I have met with them, since then, and they said again that they wanted to work with us.

Then, the paper had an article in it that expressed some concerns on behalf of the association, that the minister was being very political, and so on. Well, that was not what the minister was doing and, when I phoned the president of the association, Mr. Charbonneau, and asked him if that was the opinion of the association, he indicated to me that it was not, that they were still prepared to work in cooperation with us.

I have had members of the association express to me — and francophone parents express to me — number one, that they would put their children in a multi-grade program cadre; and, number two, that they did not want to have a confrontation, because they did not feel that it was healthy for their children. I agreed with them, I do not feel it is healthy for the children, either.

So, in summary, I am just saying that we are trying to make the decision as responsibly as we can, taking into account these people's constitutional rights, because this government recognizes that. We are looking at our options and, when we feel we have all the facts and we have consulted with all the parties — the association, the Government of Canada and the Government of Yukon has had its input — then we will be prepared to make the decision and pass that on to the association.

**Mr. Byblow:** Firstly, I want to say that I appreciate the minister's attempt to summarize the various dimensions to the question and explain what she perceives the problems are that make this appear as a stalling act, on the part of the government.

<sup>19</sup> In the process of consultation that the minister refers to, that is where they are in fact examining the current programs, the current

data available to the government, the people involved who would be sending their children to such a program or pulling their children out of another program, what is the form of consultation that the minister is taking? Is the minister directly communicating with parents involved in the French question? The minister says that she is reviewing, they are considering, they are analyzing, they are assessing. What input is being taken into account in trying to narrow down the options?

**Hon. Mrs. Firth:** The association did not give us the names of the parents of the 67 children; they refused to give us those names. So the assessment we are making is strictly an internal one and a logistic one. We are identifying the children. If we split the immersion program to Selkirk school and to Jack Hulland school in Porter Creek, we are identifying the children who would go to each and how many grades we can accommodate and how much room do we have to identify for potential growth. We are anticipating maybe kindergarten to grade 4; how many of those children would be within the immersion program that are Francophone children; how many would be required to have the grade 5 to grade 9. Then, if we were to provide that language instruction, how many teachers would we require and would we need learning assistance to get these kids back into the French system after they had been in the English system, and so on. So, without getting into a lot of detail, it is very complicated. We are not consulting parents on an individual basis, but very often I have parents call me or I meet them on the street or socially, and they express many concerns to me.

Those concerns are: will we have qualified teachers if we have the program cadre? They know there are going to be multi-grades; they do not like that, because they have three grades in one class and the teacher is expected to be all things to all grade levels, and so on. Parents are generally not in favour of the multi-grade system. French immersion parents have been calling me and saying: will French immersion have to multi-grade? It is not a formal consultative mechanism until we have some more logistical information, then we will be able to go and say, look, these are what the facts and figures are and this is what we think we are capable of doing.

**Mr. Byblow:** Earlier, the minister indicated that there was no problem about recognizing the constitutional right, and further that this government had not made a decision whether the numbers did warrant it. What is it going to require to make that decision? Is it going to be on a legal basis or is the minister's position what she stated earlier — that the numbers will only warrant if, after the analysis of the various programs and response from the people involved, it becomes a collect decision that it should or should not go ahead?

**Hon. Mrs. Firth:** We have done some comparisons with other provinces. For example, Alberta has said that where numbers warrant would be the reasons that they would establish the program cadre was if in kindergarten they had between 20 and 30 students to start kindergarten. You have to make anticipations for attrition rates and so on, so that if the program is viable you are not finding yourself, after grade 3, with no more students in that program. The Franco Yukonais have identified 12 students in the kindergarten program.

British Columbia has opened its system a little wider. It has identified 10 students. If there are 10 students they give them the program cadre. Ontario's was 25 and 20, I believe, and I am not sure which order; one was for elementary school, one was for secondary. They have also relaxed some of theirs a bit. They are starting to identify bilingual areas in the Province of Ontario and they are delivering some services very extensively and in some areas not so extensively.

We have not considered a legal opinion as to "where numbers warrant". I would anticipate that if we felt we needed that advice we would do so. The legal opinions we have been seeking are more to give us some indication as to what our options may be to fulfill our constitutional obligations to the Franco Yukonais in Yukon.

**Mr. Byblow:** Let me be clear about the position of this government relating to the funding aspect of a program in second language program cadre. The minister indicated earlier that there was no precise, accurate information from the Secretary of State or

the federal government as to their intended contribution to the additional costs associated to the program.

The minister and I have exchanged, during Question Period, some thoughts about this. The minister can correct me if I make any wrong assessments now. I understand that there is a bilateral agreement that exists and has recently been renegotiated that identifies the various additional costs associated to French language programing that the federal government commits to the territorial government, for payment.

I understand also that the federal government is quite prepared to pay any further additional costs of delivery of a second language program that may become the first language of instruction.

**Hon. Mrs. Firth:** What has been the response of the federal government to the minister's inquiries about picking up these additional costs? In the explanation that the minister gives, could she address some confusion that I have about the seeking of a physical facility? I am somewhat confused, from previous answers in the House, relating to whether or not this government is seeking a building or monies only for a program.

**Hon. Mrs. Firth:** Just to clarify something: we are seeking information to help us assess what our options are. When you make decisions in government, you list what your options are and, in order to arrive at those options, you have to have a certain amount of information. So, that is what we are asking.

We may have to purchase, if we went ahead with the program, a couple of trailer units, or something. If we have to go that route, if that was one of our options, would they be prepared to fund it?

As I have said before, we recognize that they have given us the commitment to give us some assistance with funding. However, in the immersion program, in the French language program that we presently have funded under the bilateral agreement, the level of funding that the Government of Canada gives us does not cover the program funding, in totality. The territorial government still adds a considerable amount of money to the cost of both those programs.

So, even though the Government of Canada tells people that they are prepared to fund things and it makes it sound like they are paying the whole bill, they are not; they are not by any means. So, that is the consideration that provinces take into account when they look at their "where numbers warrant".

Now, I would only ask the member for Faro if he thinks that one-and-a-half percent of the student population warrants us making a financial commitment and a long-term financial commitment? Does he agree with that?

**Mr. Byblow:** I think one of the things that the minister has not made clear is that, under the bilateral agreement, there is an element of establishing the basic cost of a program, period. What that means, to my understanding, is that if you are delivering a standard program in the school system, the territory is expected to pay for that. If you transfer those students into a French language program, it is actually a saving them money; should the federal government pay it all?

That means that the minister is correct that the federal government does not commit to pay 100 percent of the program. That is only because there is a basic cost that the territory is expected to continue paying, because it would have to pay it if they were back in the English system.

Would the minister correct me if I am wrong about the basic costs, that being the substance of some dispute about how much the federal government is willing to pay?

**Hon. Mrs. Firth:** When we made the decision to go with the French immersion program, and that was made some three or four years ago, the federal government had made a commitment to pay some of the costs; the start-up costs. So that means that the Government of Yukon assumed the costs of all the past years; the federal government only pays for grade 4 immersion next year. So we pay for the grades 3, 2, 1 and kindergarten. I appreciate what the member is saying, and the association always uses this as an argument: that these children would be going to school anyway and would require teachers. However, when you look at it, you are establishing two parallel programs or departments of education.

Once you establish a French program in Yukon, we accept the fact that education will be provided in Yukon in two official



languages, and you have a duplicate system. So you have science teachers for French and science teachers for English, and so on. That may sound fine. These kids would be going to school anyway. But I am sure you can guess from numbers that you are going to have much smaller numbers when it comes to the French, because the population is extremely small: 1½ percent. So they are going to get a very concentrated system and the territorial government also will have to commit funding to that new program. In that sense, once you make the decision, it becomes the establishment of a new program. That is why provinces and territories decide where the numbers warrant, because they have to, on behalf of their taxpayers, make a commitment of funding to this program. And even though these kids would be in the school system anyway, there are other costs incurred in textbooks, physical facilities, teachers, and so on, that are segregated from the English stream.

**Mr. Byblow:** I have no major dispute with what the minister is saying but, again, my understanding about the arrangements or commitments by the federal government towards funding are to in fact pick up the additional costs. Now, the minister seems to me to be trying to present the argument that the territory would have to bear some additional costs if it increased or stepped up its French language instruction. And, I guess because I do not know the facts, I cannot argue that. But the minister has to respond to my understanding, which is that the protocol agreement or in the bilateral agreements and in the commitment from Serge Joyale, has been traditionally and continues to be the commitment to pick up the additional costs over and above this basic cost.

**Hon. Mrs. Firth:** It was a commitment to assist with financial costs, not to pick up all additional costs. It was a commitment to assist with the financial costs. I also indicated that there were some questions that we needed answered. The anglophone children going into the francophone program, would they still be prepared to pay that? We needed that question answered. I do not know if they pay for capital assistance in the provinces. From ministers I have discussed it with, the Government of Canada has not been paying for any capital costs.

The member for Faro was at the annual general school committee conference, and I can only compare it to the comments I made to those school committee members when we talked about the numbers of students declining in Yukon. The numbers of teachers had not necessarily declined. It was because people were not cooperative enough for everyone in one area to leave so that we could say: we have had 100 kids out of this area, except in Faro in the member's riding. When you have a large number of people move from one area you are naturally going to lose so many teachers from that area. When you take the total Yukon into account, you have a few drop out of one grade here, a couple out of another grade there, and a couple out of here; but that does not necessarily mean that in that area you can have five of six less teachers. All it does is mean that the class sizes get smaller. You still have to have the numbers of teachers there to deliver that program.

The same applies here. We still have to have the numbers of teachers to deliver the program to the numbers of students, but when you fracture that numbers of students, there are going to be more costs. You cannot necessarily fracture the numbers of teachers.

**Mr. Byblow:** I think, in bureaucratic terms, what the minister is talking about is incremental costs associated with the program. I do not think we are going to debate the issue of whether or not there is going to be increased cost to the Yukon taxpayer because I am not prepared, simply because I do not have enough of the facts relating to the commitment by the federal government, of paying those additional costs. I do not know what takes place in the negotiations and the discussions between the respective ministers, or the respective departments, about sharing those costs relating to the bilateral agreements and delivery of the program. The minister has said that she is now seeking some firm commitment about actual numbers and for the moment I will accept that.

I am a little unclear about the information that the minister presented moments ago relating to a question I raised in the House a day or two ago about the withdrawal of some funding. My

understanding was that, in a submission to the Secretary of State, this government originally applied for funding for a program cadre and subsequently withdrew it. The minister tells me that something of that sort took place, but I did not understand it well enough.

**Hon. Mrs. Firth:** It was not a submission for funding, it was a proposal that we put forward to the federal government. It was done on the official level within the departments, when the officials were first having discussions with the Secretary of State about the bilateral agreements.

Our bilateral agreement, which we had with the Government of Canada, was a very informal one, more in the form of a letter of understanding. Since we are members on the Council of Ministers of Education, we have now become sophisticated enough that the federal government was prepared to have a more formal agreement with us. So, the officials were discussing it purely at an official level.

There were three things that they were discussing in the terms of that agreement. One of them could have been for the program cadre and the officials could have withdrawn it. I did not ask for all the details; I simply asked if there had been any discussions between the Secretary of State, before, regarding a commitment for funding.

Then, what the other discussions were, I do not know, but, if the member insists, I will bring them for him. I really do not think they are significant, though.

However, when they discussed with the officials of the Secretary of State, they said, "Well, look. We will identify all these things in your bilateral agreement, which is what we do with the provinces. So, just withdraw your submission to us, your proposal". Maybe I could be wrong. I did not really look at the whole submission — I imagine there is still one in the department — but I do not know that if there was any specific request in it for funding or if it was just a discussion proposal that they were initiating. My information is that it was just a discussion proposal.

**Mr. Byblow:** It was suggested to me that this government may have initiated the withdrawal and I understand, from what the minister is saying, that that was just an official level exchange and not precipitated by the minister. So, I have no further question on that subject.

What I do have a couple of question on relates to the entire process that the minister describes as taking place now. At some point earlier in the debate, she indicated that her Cabinet was reviewing a submission: I assume that submission deals with the various options.

At the same time, the minister has a request into the Secretary of State, respecting specifics of funding. For the record, how does the minister perceive the next stage of development on the question, perhaps, with some indication of a timeframe? I may not have any further questions on the subject.

**Hon. Mrs. Firth:** When I last met with the Association Franco Yukonais, I asked them if they were prepared to settle for some other alternative to the program cadre, and what exactly did they want? They indicated to me that they did not really know yet. They wanted to see what we had to offer.

When was the meeting? It must be two months ago now that we sat down and had a just around the table discussion. We had a rather informal cultural exchange and discussion, at which time I told them I was getting a paper ready to take to caucus and that we were going to have to make a decision about what options were available to us. I would anticipate that, when we find out what the Government of Canada is prepared to give us and when we discuss in caucus where numbers warrant, and so on, we are going to go to the association first. I gave them a commitment that I would not go to the media or discuss it with anyone before I discussed it with them. Mr. Charbonneau agreed to that. I would discuss with them, and they said that we could come to some agreement, and, if necessary, have another public meeting and I asked if the door could be kept open for the minister to attend that meeting and some of the members said yes and one member said no or cautioned them against it, but I said the door had always been open and I would appreciate it if it would remain so, and they indicated to me that it would.

**Mr. Byblow:** The minister's statements do prompt one more

question. The minister referred to a meeting some two months ago and that in general the door is open for further continuing discussions with the association as the Cabinet develops its position and makes its decision on the issue. It is my understanding, and I have the correspondence in question, that there are some tenuous pieces of correspondence between the minister and the association. With the expression of cordiality that the minister portrays it almost appears to be something of a contradiction if I look at the correspondence. Again, just for the record, what is the current relationship between the minister and the association and what are the prospects of a good relationship for the future?

**Hon. Mrs. Firth:** When I contacted the president of the association regarding the article in the newspaper that was very critical of the Minister of Education and the government, I asked if that was the opinion of the association. He told me he would call me back. He called me back after he read the article and he said to me, no, that is not the opinion of the association.

<sup>26</sup> That was the opinion of one individual who belongs to that association and I am sure I do not have to put the name in *Hansard*. The member is fully aware of who that person is. As far as the association was concerned they wanted to continue to communicate with the government and to work on a cooperative level. He even went to the extent to say that if the media questioned me I could feel free to say so. I am just saying that I feel personally that there is a healthy relationship between the association and the government of Yukon.

**Mr. Byblow:** The minister clearly is not vexed or perplexed.

**Mr. Kimmerly:** I would like to add a few comments that the minister may find constructive, in coming to a decision. They are certainly offered in that spirit.

I was interested in the discussion about the question "where numbers warrant". The minister stated that the territorial government decides that. She also stated that the government has not obtained a legal opinion as to that, but may have considered whether a legal opinion is necessary. I think these comments, which are not in themselves a legal opinion, may be of some assistance.

It appears to me that the criteria "where numbers warrant" is a constitutional requirement and consequently it will be interpreted by the courts if the courts are asked to decide. It is fairly clear that the government makes a decision but it appears to be the kind of decision that is reviewable in a court because of the *Constitution* or at least, reviewable insofar as it may comply with the *Constitution* or not, which is the narrower question.

The minister asked a rhetorical question to Mr. Byblow. Is it his opinion that one and a half percent of the children is satisfactory to warrant the program? I would like to make a few comments about that.

It appears to me that a percentage statistic is not enough to base a decision on. If this were a large jurisdiction with a million children or 10 million, and 1 percent were French, and if they were scattered all over the jurisdiction, it may be impossible to finance, practically, a French school for those children. If the French children all lived in a single district, geographically, so that they all could attend the same school, the number of children in the school may make it a very large school even though it is one percent.

<sup>27</sup> The percentage figure, in itself, is not the definitive.

**Hon. Mrs. Firth:** (*Inaudible*)

**Mr. Kimmerly:** Yes, I was getting to the 67 children.

It appears to me that a relevant figure is the number of children it would take in a community to warrant a school. I understand the number is fairly low, in the nature of a dozen, but that, in itself, is not a definitive test. Are the 67 children all in the primary grades, or all in one grade or what kind of teaching staff would be necessary to service the 67 children in a French program?

It appears to me that it may be a constructive approach to, for the sake of argument, assume that the 67 children are going to get a French program and cost out what is necessary: the numbers of new teachers, if any; the training for the teachers; the textbooks and materials and whatever; and arrive at a figure. If that is possible to estimate, it would be a useful negotiation to go to the federal government and say, "our figures indicate that a French school, next year, in Yukon, for these children is going to cost this number

of dollars".

There may be an argument about the estimates. The officials in the department could probably agree, basically, as to the correctness of those dollar figures. There is obviously a consideration of what it would cost, if anything, to simply absorb those children in the existing programs and subtract that and you have got a figure. If the federal government sees a figure like that, the ball is in its court. In the vernacular, they either put up or shut up. That may assist in the decision, I am not sure, but I hope it does.

**Hon. Mrs. Firth:** The comments that the member makes are valid and have helped me in a way, now, that I will be able to indicate to you why you cannot subtract the figure from the cost, already, and how I can maybe indicate to the members opposite a way that you can show that there will be additional costs.

First of all — and I am being hypothetical — say that we were going to go with the program cadre, and this is why "where numbers warrant" is important.

<sup>28</sup> It is important in regards to the impact it has on the other system. If we agreed with that and we needed four new teachers, who we would because we would need at least three and a half to four new teachers for the three multi-grades of kindergarten to grade 9. We would need these three teachers or four teachers who were fluently bilingual or who were French to teach the program cadre. Because the numbers are so small, 67, or the percentage, 1.5 percent, when you subtract those numbers from the system that is already in place it does not make a big enough subtraction that you can remove a teacher, or books, or so on, from that already established system. You begin setting up another system. There are additional costs that are incurred.

What we are saying to the Government of Canada is: how much of those other costs are you going to fund? From the French immersion program, all they fund is each new year. Are we going to put ourselves in a position, as New Brunswick has, as a fully bilingual province, to say, "okay, we have this system here, we have French immersion, we have English they are already established. We are going to take from that 67 children and establish another system here. We need four more teachers and if it grows we are going to need, perhaps, a couple more high school teachers?"

We are talking about such small numbers that it is not taking enough away from the whole situation to subtract anything from it, other than the fact that it may subtract enough in the lower grades of immersion that we would have to put two French immersion classes together, say, kindergarten and grade 1, or something. This is a real concern on my behalf because I have had parents express to me that they would not be happy with that. The comments are very interesting that the member makes.

**Mr. Chairman:** There being no more general debate, if you will turn to page 66, Administration, we will go on to line item.

### ***On Education, Advanced Education and Manpower***

#### ***On General Administration***

**Mr. Byblow:** I have a couple of questions relating to the entire vote, as it were, as opposed to specifically on general, that may facilitate quick passage of the remaining line items.

**Mr. Chairman:** As long as you do not come back with the same questions again.

**Mr. Byblow:** I have a general question relating to the overall costs of the administrative portion of the budget as related to the person-years.

There is a reduction of 7 percent overall, in the costs of the administrative portion of the budget. When I review last year's budget and this year's budget together I note that during the course of last year, the budget moved upwards from \$507,000 in the original estimate to the forecasted amount of \$599,000.

<sup>29</sup> So, there was a substantial increase during the course of last year, and that is fine. We understand what was taking place. This year we have what appears to be a reduction, yet we seem to be maintaining not only the same person-years as this year but the same person-years as in the original estimate of last year. Now, there is a whole sweep of numbers up and down but the people are the same. What is the explanation?

**Hon. Mrs. Firth:** We always have this with person-year explanations. We identified programs throughout the year, and the member is aware of the gifted program, the alternate, and so on; so that caused the increase through this year of the person-years. So they are identified for this time. If the member recalls, we have been in the habit now of identifying so many teachers less at the beginning of the year, to account for the numbers of student population declines that economic development is predicting. And, as I just explained to the members, it does not always happen that way and sometimes we are required to get additional teachers. We have put additional teachers in. Are you talking just about administration; not teaching person-years?

Okay, administration is strictly for the gifted-alternate programs and so on that were in administration; the additional person-years. Were you talking about the 11.5?

**Mr. Byblow:** Just as clarification, we are on page 66? We are talking about administration of the department; obviously the DM and ADM's and the support staff. I will try and capsulize the problem I have. The problem I had was that in our estimates at the beginning of last year we had 11.58 staff. This year we have 11.58 staff. But, during the course of that time, we moved from an original estimate of \$507,000 to a forecast of \$599,000, back now to \$560,000. And the people remain the same. What accounts for that fluctuation in cost with people remaining the same number? That was the question.

**Hon. Mrs. Firth:** Okay. We had a decrease that was due largely to the use of casual assistants during a period of extended sick leave and there was also an employment of a contract research officer that caused a decrease. The contractor was initially working on development of a new recreation act and has been employed as a special assistant to the assistant deputy minister during the vacancy.

**Mr. Byblow:** In summary, then, what caused the high fluctuation during the course of last year but the basic body is to remain the same, is contract people and casuals.

**Mr. Byblow:** Okay, that explains it.

*General Administration in the amount of \$268,000 agreed to On Accounting*

*Accounting in the amount of \$116,000 agreed to On Student Accommodation*

*Student Accommodation in the amount of \$176,000 agreed to Administration in the amount of \$560,000 agreed to*

#### *On Public Schools*

**Mr. Byblow:** Again, if I could be permitted to range a bit on the line items, it might expedite their faster passage, individually.

This portion of the budget reflects, overall, a two percent increase, if one uses the forecast of last year compared to the estimates of this year. In the course of the votes, there is one substantial decrease in maintenance and, sort of, quite average increases everywhere else, except for several programs: the gifted, the alternate and resource centre and, perhaps, the extension program falls into that category.

Because the budget reflects only a two percent overall increase from the forecast and a substantial decrease in maintenance, what is taking place in maintenance that accounts for that decrease? I suppose I can extend on that as to why I am asking. If the maintenance is being cut by 40 percent, that would reflect that there is either less maintenance being done or the same level of maintenance through some other programming. What is taking place, overall, to reflect these percentages?

**Hon. Mrs. Firth:** Although we had some increased costs in maintenance, this year, we have been able to show the decrease because we hired a heating systems technician to go to the schools and make sure that all the furnaces are adjusted, and so on. Before, when they ran into difficulties, someone from government services would go. So, we have a very large savings; they were anticipating saving up to \$200,000 a year on fueling costs and then we would deduct the salary of the heating systems technician, so we would be saving approximately \$150,000 a year.

**Mr. Byblow:** I did not completely follow the saving. If the person is being hired to go throughout a number of schools, is that effectively eliminating a position or is it just transferring the

responsibility of paying for it to another branch?

**Hon. Mrs. Firth:** No, it is adding a position. We are adding the position of a heating systems technician. So, we are identifying a certain portion of money for that individual's salary and travel around the territory to the schools. We are anticipating saving a certain amount of money in fuel costs, because of that position. We were anticipating saving \$150,000 in fuel costs.

**Mr. Byblow:** I am curious only about how that assessment is made. Is it a question of professional knowledge providing the necessary expertise to make those systems efficient and as a consequence, the fuel savings; or is retrofitting built in this as well?

**Hon. Mrs. Firth:** What happened in the past is that we did not have a heating systems technician to go around and fine-tune all the furnaces. In consultation with the energy people in economic development, the Department of Education is constantly looking at ways to save costs energy wise. This was something that was recommended to us and they make projections of approximately how much can be saved in fuel costs. It was done in conjunction with the energy program.

**Mr. Byblow:** To put it firstly, I would say that this proposal sounds like an excellent one if, through the efforts of efficiency you can reduce heating costs. There must be something that prompted the government to do this. I suspect that it was just the soaring fuel costs. When I look at the estimates of last year this government budgeted, under maintenance, \$234,000. When the year finished, under forecast, it was some \$521,000. There was actually a 100 percent increase in the cost of maintenance, which I believe the minister has said is attributable primarily to fuel. It would appear that there was a reason behind the government's thinking on this and it sounds quite rational, quite logical, and quite wise.

The other point I would make in rambling, is that there is no increase identified in elementary and secondary line items, which to me would reflect no increase in wages, which I believe would reflect no intention to identify it in the budget, not that it is not taking place.

**Hon. Mrs. Firth:** That is right, it is not identified in the budget.

**Mr. Kimmerly:** I have questions about the dropout rate and I would like to express it this way. It is my opinion that if we pursue a debate about dropout rates, there will be a perception from the other side that we are trying to criticize and say that they are high, and a perception on this side that the government is trying to look good, and they are low. That is unconstructive in my view. I am not interested in a debate about whether they are good or bad. I am interested in what they are. The discussion is probably more fruitfully carried out in a less public way.

**Mr. Kimmerly:** I was interested in the figures given in general debate and my immediate questions are: there are years left out and I wonder if the figures exist for the years left out, and we are told that the figures are FH Collins'. I am wondering if there are rural figures or is it Mr. Sharp's job to collect those figures? I am not asking for an answer now on the record, but I would ask if the minister would send in the mail or get an official to send in the mail an explanation for those concerns? And if there are any figures that were not publicly given, I would appreciate them.

**Hon. Mrs. Firth:** I can answer very quickly. I agree with the member about his first comments and we do not have figures for the years that were left out and we do not have rural figures, and we do hope that Mr. Sharp will be able to help us with some identification; just as we have no figures for junior high, which would not be considered dropout, it would be considered truancy and we are anticipating getting some information about that from the junior high survey as well. I agree that dropout rates give us much concern here in government and I have never been asked that by the opposition; I have only been asked what the dropout rates were. I have never been asked an opinion of what I think of it. I am sure we all share the same concerns about the dropout rates.

**Mr. Byblow:** I have a couple of questions relating to what is happening this year in regard to the pupil-teacher ratio overall. The minister has indicated in previous comments and to the school committee conference that numbers are reducing in students; however, teachers are essentially remaining the same. In some

measure, that is supported by the statistics provided in the budget. However, I do note that, under public schools, we have a three person reduction from the forecast of the past year to the estimates of this year. What accounts for that three person reduction, albeit not very much, in relative terms?

**Hon. Mrs. Firth:** They are anticipating again that the populations will go down so we have identified less teachers. However, we may have to adjust that. We have a paper also coming from the department to Cabinet very soon on the pupil-teacher ratio, and the general direction we are coming from is looking at separating out administration and having a pure pupil-teacher ratio.

« However, we have to make a decision regarding that. It will no doubt be extremely costly.

**Mr. Byblow:** Yes, I think the minister will recall previous debates from the school committees, and from the Principals' Association and generally, in any debate relating to pupil-teacher ratio, when you take the support staff and the administration into the ratio it is quite misleading because it does not reflect the truth of the ratio in the classroom between the teacher and the number of students that the teacher is handling. I note that when the year began last year, we had anticipated a 394 complement of staff under public schools. Before the year was out, we moved upwards by six to 400, and we anticipate a drop of three. How does the minister account for the increase during the course of last year by six and now the drop by three? This is not a normal pattern for what is apparently taking place in school numbers and the economy.

**Hon. Mrs. Firth:** No, I would agree, it is not. The numbers are fluctuating, particularly in the elementary grades, and we have not really made an assessment as to why. All I know is that we had to make a guesstimate this year and we consulted with health and human resources, I believe, to see if we could get an approximation of what our kindergarten numbers were going to be; they recommended that we identify 100 less in that area. We do not really feel that is an accurate statistic but finance convinced us to put that identification in anyway. We will just go for the extra person-years at the beginning of the year if we find we need them.

**Mr. Byblow:** Is the minister doing anything about attempting to project the numbers for the next year more accurately? I raise this with the concern that, often, in September the schools are faced with enrolments that have fluctuated wildly or substantially since March, which is the general month of figures used to predict enrolment for September. Is the minister directing any attention for that to be done more accurately, more precisely and more timely? It has another dimension: quite often, during the course of the middle of the year, because of the increase in enrolment at September, there is a period of two or three months while the situation is being assessed and reviewed and the ratios are high and then a teacher arrives, classes are split up halfway through the year — the member from Porter Creek East knows this — and the net result is that there is some confusion in the ratios and in planning related to the procedure by which the department uses such a distant time to predict September enrolments.

« **Hon. Mrs. Firth:** We are trying our very best within the department to make as accurate an estimate as we can. I realize the problem we had in the elementary grades. We did have an increase after Christmas in kindergarten to grade 3 all over Whitehorse, in all the elementary schools. Short of having to provide a private teacher for Mollie Stewart this year, who I understand will be going into kindergarten, we will be doing our very best in the department.

**Mr. Byblow:** One more general question relates to curriculum. One of the pervading themes, if I could use the term, is that there is a desire for an increased content of Yukon and Canadian history in school programming. That is a desire in quite a general way, whether it starts at grade 1 or grade 4, or grades 7 or 8. There has been an expression of desire to see more Yukon-oriented material in the classroom. In general, I note that curriculum development is a program in and of itself and it is not receiving any substantial attention. I would like to put to the minister whether it is her intention to address that concern?

**Hon. Mrs. Firth:** We are doing some research in curriculum development. It is up 6 percent, and that is going to be for the hiring of a contract employee to do some research and development

work in that area.

**Mr. Byblow:** The minister identified research and contract work. Does she have available in what area of subject material the research is going to take place?

**Hon. Mrs. Firth:** No, but I hate to disappoint the member. I have a feeling that it is probably just research work to make sure that we are still consistent with the changes that have been made in the BC curriculum, not necessarily money identified for Yukon content. That is something that we are still working on in the department. We are not making any allocation of funding for that.

**Mr. Byblow:** This is probably my last question on public schools. What is the department expecting to do in terms of curriculum, as BC appears to move towards a major shift in the senior grades? They are proposing a three-program course at the high school level. Certainly, if this jurisdiction adopted that there would, no doubt, be a number of problems associated because of size and because of cost. What are the department's intentions with respect to that change taking place there and this department's traditional view of following the BC curriculum?

« We just received, not very long ago, the White Paper, I believe it was, that BC has put out, which discusses all the issues the member has raised. So, we were asked questions at the Principals' Conference, which was about three weeks ago, I believe, or four weeks ago, and we had just received the paper then. We do not have a position on it: the department is presently reviewing it and we are hoping that we are not going to have to make any large steps, or take any large steps away from what we have been delivering in Yukon, presently and in the past.

**Mr. Byblow:** Does the minister know if there is any problem, in terms of accreditation to our graduating students if we did not follow the prescription that they are proposing?

**Hon. Mrs. Firth:** No, I cannot be that specific; I have not even sat down and discussed the paper with the department. We are just hoping to reassure people that if we have to make some transitions, that they will be done, as has been displayed in the past, in cooperation and consultation and so on.

*On Branch Administration*

*Branch Administration in the amount of \$783,000 agreed to*

*On Maintenance*

*Maintenance in the amount of \$313,000 agreed to*

*On Elementary and Secondary*

*Elementary and Secondary in the amount of \$14,894,000 agreed to*

*On Custodial Service*

*Custodial Service in the amount of \$1,827,000 agreed to*

*On Clerical Support*

*Clerical Support in the amount of \$403,000 agreed to*

*On Student Transportation*

**Mr. McDonald:** As I understand it, Diversified's umbrella busing agreement was in the neighbourhood of \$920,000 for the 1983-84 season, plus fuel, which left about, from last year, \$56,000 or so for student travel allowance.

Can the minister break down this current figure of \$1,166,000 to specifics, such as the cost of the umbrella agreement and the anticipated costs of the fuel to support the busing company and, further, student travel allowance, specifically?

**Hon. Mrs. Firth:** The only breakdown I have under transportation is transportation and communication, for \$1,049,000; and the subsidized travel for \$117,000. That gives a total of \$1,166,000.

**Mr. McDonald:** Can the minister explain what the communication part of the transportation and communication is?

**Hon. Mrs. Firth:** No, I do not have it that finely broken down.

**Mr. McDonald:** It is not very serious; I am sure I can get these figures from what has proven to be a very reliable department on this issue.

Can the minister tell us how increases in the umbrella agreement are negotiated every year? The umbrella agreement was negotiated for the first time, I believe, in 1980, and then increases have been allowed, I think, every year. Last year, I believe, it was six percent. Can she tell us when these increases are negotiated and, if it has been negotiated already for this year, what do we anticipate paying in the way of increases this year?

**Hon. Mrs. Firth:** I would anticipate that it would be five percent; we are trying to stick to the 6 & 5. As for the communications costs, if the member insists, I can bring those for him but I did not really anticipate that the members would be asking for those numbers specifically.

**Mr. McDonald:** I am not insisting on anything of the sort. I merely asked a question. If the minister could provide it, I would accept it.

I would like to know how, within the umbrella busing agreement, the figure is negotiated. I have read the contract myself. It does not give any sort of indication in the contract or in the specs pursuant to the contract, to suggest how this increase comes into effect. Perhaps the minister could just elaborate a little bit on that.

**Hon. Mrs. Firth:** The department negotiates with Diversified regarding that contract. There is an umbrella agreement for four years, I believe, and then each year they negotiate the increased costs that are anticipated. The request that Diversified makes comes to Cabinet and it approves the increase or disapproves it.

**Mr. McDonald:** Perhaps the minister could just explain the relationship between the government and the company for a minute, because what I am truly interested in discovering is to what extent do negotiations actually take place? There is a contract here to provide certain services at a certain cost; it only briefly alludes to increases may be negotiated once every year. To what extent does either side have any sort of bargaining position to negotiate these increases? How are they determined?

**Hon. Mrs. Firth:** All of that is done within the Department of Education by the department officials. I do not have any communication with the Diversified Transport at all.

**Mr. McDonald:** Fair enough. Perhaps I could put it a slightly different way. If Diversified requested an increase, which the government found to be unreasonable, how would the government handle that situation?

**Hon. Mrs. Firth:** I would tell them they were unreasonable and probably ask them to be more reasonable.

**Mr. McDonald:** Should Diversified not be more reasonable, hypothetically, what options does the government have to break the busing agreement; to cancel it and tender it out again?

**Hon. Mrs. Firth:** It is very difficult to answer a hypothetical question. We would have many options, probably. I do not know if we have the kind of agreement that could go to arbitration or whether the officials and Diversified would just continue to negotiate until they came to an agreement. I can find out, if the answers to that are important to the member.

**Mr. McDonald:** Yes, that particular answer is rather important to me. I would appreciate receiving it.

*31 On Transportation*

*Transportation in the amount of \$1,166,000 agreed to  
On Special Education*

*Special Education in the amount of \$1,207,000 agreed to  
On Remedial Tutors*

*Remedial Tutors in the amount of \$311,000 agreed to  
On In-Service Training*

*In-Service Training in the amount of \$58,000 agreed to  
On Extension Programs*

*Extension Programs in the amount of \$18,000 agreed to  
On Curriculum Development*

*Curriculum Development in the amount of \$136,000 agreed to  
On Native Language*

*Native Language in the amount of \$498,000 agreed to  
On Gifted Program*

*Gifted Program in the amount of \$199,000 agreed to  
On Alternate Program*

**Mr. Byblow:** On that program, I know what the minister has previously said in terms of what it was reviewing and the personnel who have been seconded from Teslin. What is the long term intention of the alternate program. Is that for an actual program to offset what is being proposed out of BC, or is it one of the initiatives the minister's department is suggesting within the current system?

**Hon. Mrs. Firth:** We are anticipating that this will be an ongoing program. The initiation of it came from within the

department upon the requests of the school committees. It was initiated by school committees.

*Alternate Program in the amount of \$176,000 agreed to  
On Learning Resources Centre*

**Mr. McDonald:** Just before we get off public schools, just one last opportunity to ask the minister of she would mind giving us a breakdown of the permanent person-years. I understand that in past years we have been receiving figures that break it down, sometimes permanent, sometimes casual and sometimes contract workers. Perhaps the minister could suggest why such a breakdown is not being given this year, and perhaps she could provide at least the casual person-years for this particular program.

**Hon. Mrs. Firth:** I am not quite sure what casual person-years the member is referring to. Is he referring to casual person-years - teachers - how many casual teachers we have and so on? I am not sure what he means.

**Mr. McDonald:** You will remember from past years, in my experience, in the estimates in the breakdown at the bottom of program pages there is always a breakdown of person-years and there is a suggestion as to how many casuals there are in the department. That is of some significance to me, at least. I wonder if the minister could provide us with those figures.

**Hon. Mrs. Firth:** We have not done that in education. It has been done in the other departments, but not in education. We have never identified it in education.

If we identify casuals, it would be in things like administrative staff and so on. If there is none identified we do not have any. We have never identified the casuals in teachers because there would be a whole book of it. We have casuals come in for sick time and so on. We pay for those salaries from our salary budget for all the teachers.

**Mr. Byblow:** To support what my colleague was saying, in the previous budget there was an identification of casual in the person-year establishment, and they ranged, from year to year, as low as .65 and as high as three and four. So, I do not know exactly in previous years the casuals represented, but what I suspect what my colleague was after was to try to determine, in addition to these permanent staff numbers of 397, what does that consist of: casual persons, in terms of person-years, or casual people who were brought in for various relief and part-time purposes, or are they in addition to the 397? That is the question I would have.

**Hon. Mrs. Firth:** These are permanent person-years: 397 permanent person-years.

**Mr. McDonald:** Then just to put the minister on notice, this is going to be questioned. Because of the way the budget is drawn up this year, this is probably going to be a question that will be asked more regularly, especially when we get to departments such as highways, I would think.

*Learning Resource Centre in the amount of \$310,000 agreed to*

**Mr. Byblow:** Before we clear the entire amount, I note some useful additional information, which I would certainly acknowledge, at the bottom of page 68, talking about the total budget figure of this vote representing certain costs related to committees and interview costs and honoraria for individuals.

When that is included as an item of expenditure within the line items, is it strictly under the branch administration or is it distributed throughout each line that it may apply to?

**Hon. Mrs. Firth:** Yes, we are doing this, now, to comply with the new *Financial Administration Act*. It is distributed throughout each program.

*Public Schools in the amount of \$22,299,000 agreed to*

**Mr. Chairman:** We shall now recess until 4:15.

*Recess*

**Mr. Chairman:** I will call Committee of the Whole back to order. We will now turn to page 72, French Language.

*On French Language*

**Mr. Byblow:** I probably have only one question. In light of the lengthy discussion earlier, there is obviously no money intended for

program cost in this?

**Hon. Mrs. Firth:** No, there is not.

*On Administration*

*Administration in the amount of \$83,000 agreed to.*

*On Community Program*

*Community Program in the amount of \$115,000 agreed to.*

*On French Immersion*

*French Immersion in the amount of \$15,000 agreed to.*

*Public Schools in the amount of \$213,000 agreed to.*

*On Advanced Education and Manpower*

**Mr. Byblow:** The minister did give quite some detail. There are a couple of questions, however. Regarding the community learning centres, is the budgeting for this contained in this portion of the budget? What are the intentions to expand that service, if at all, this year, beyond the communities identified in the minister's opening remarks?

**Hon. Mrs. Firth:** The community learning centres are identified in this budget. We have six. I mentioned them all in the opening remarks. And I am not aware of any potential expansions in this budget.

**Mr. Byblow:** One of the things that we heard, in a couple of small communities, was that there was a lack of coordination for a similar type of services that would be provided, normally, through the learning centres. I recall, I believe in Elsa, for example, that there was a lack of coordination for night school classes or just available programming that would be provided through the mobile units, in those small communities. What are they expected to do, in terms of trying to provide and establish contact and communication with the vocational and with Yukon College about services? What is the easiest process for them? Who should provide that kind of coordination and what is the best method to achieve some service?

**Hon. Mrs. Firth:** They have various options. They can write to their MLA or they can write to the Minister of Education or the government, or they can call the department, whatever they wish. The thing is that when a community learning centre is established, they have a committee within the community that is interested in doing volunteer work and, therefore, we provide that service. So, if there was a community that had a group that was interested in doing some work, they could approach the Department of Education and it would consider it from there.

**Mr. Byblow:** I have a general question relating to some information further on in the book. Can the minister explain the method of recovery money from the federal government, under the employment development program?

Also, I refer to the manpower planning and industrial training agreement. That is putting it in a very general way, but what I am seeking is the extent to which those two programs are funded extraterritorially. Perhaps the minister could respond to that. I have a couple of more specific questions.

**Hon. Mrs. Firth:** I am not quite sure what the member means. We pay for everything out of territorial funds then we submit for recoveries. Through Canada Employment and Immigration Commission, the federal government purchases seats from us in Yukon College. They fund their portion and we pay our costs. With the skills growth fund, which is the last allotment of federal monies we will probably be getting, we contribute so much and the federal government, in turn, contributes so much to us. What happens with that is that we pay the total cost again and then submit to the federal government for recovery.

**Mr. Byblow:** Very specifically, I am having some difficulty understanding the extent to which these two programs are funded by this government. Let me explain.

When I look at the employment development program in the estimated amount of \$1,911,000 and I look at MPIT for \$264,000; and then I look on page 78 at the recoverable monies of \$2,120,000, I find that there is a variance of only \$55,000.

I am having some difficulty understanding the process by which the two programs are federally funded.

**Hon. Mrs. Firth:** Some are cost-shared. For example, some of the funds were recovered in the employment development program, some of the funds were recovered; some funds are given directly.

Does the member has a specific question about a specific program? Some of the employment development program, in the past, was to clean up the NEED program, and some of those job creation programs.

**Mr. Byblow:** Let me put my inquiry this way: under employment development program and manpower planning and industrial training, this government purports to spend \$2,175,000; that is the total of \$1,911,000 and \$264,000, on those two line items.

The recoverable money is identified on page 78 as being \$2,120,000, so I conclude that this government's portion of those two programs would appear to be \$55,000.

If I am wrong in that assumption, the minister can correct me. At the same time, I see a tremendous increase in the in-house apprenticeship training. The minister announced it and we talk about it last year. In fact, the minister and I exchanged some correspondence over a case on the matter. I know that that program would appear to be a program funded entirely by this government and I can understand that. I guess what I am trying to clear up in my mind is: those latter two programs appear to be funded entirely by the federal government and if that is incorrect then can minister the explain the ratio of funding that must be taking place?

**Hon. Mrs. Firth:** The \$2,120,000 relates to the total of the estimates: to the \$8,817,000. So, for Yukon College, the CEIC federal portion of the money would be in there. Under financial assistance, we would have some recovery, and we would have some recovery in the development program and some in manpower training. Out of the total \$8,817,000 we recover \$2,120,000 from the federal government; and other sources, too, yes. The government leader is just reminding me that some of the students at Yukon College are fee payers, so that would also constitute some recoveries; the majority of them are fee payers.

**Mr. Byblow:** Okay, I understand what the minister is telling me. I now want to relate another figure identified in the information portion on page 79.

It talks about contributions. In the middle of that page, it identifies \$2,230,000; and if you extract the Cyprus Anvil portion it becomes \$1,130,000. That would appear to me, in some measure, to reflect the contribution in each of the programs that is this government's share. Added to that would become the final government's share, which is wrapped up into the entire \$8,000,000 budget. If that is a fair, general assessment the minister can verify it.

**Hon. Mrs. Firth:** Yes, that is correct.

**Mr. Byblow:** The next question I have relates to Yukon College in general. The minister will recall some of the debates that took place during her tenure as minister and probably is quite familiar with the debates that took place prior to that, on the subject of relocation of a facility for purposes of adult education, albeit, a potential university, albeit a vocational centre combination, and some studies have taken place and some money has been spent in capital budgets regarding a new facility in the general Takhini area. Can the minister give some progress report on that initiative?

**Hon. Mrs. Firth:** We are anticipating making an announcement sometime in the near future regarding the direction that Yukon College will be taking. I have just had a paper prepared to go to Cabinet and I am not at liberty right now to release any more information.

"Why not", the leader of the opposition says.

Before the session ends, we hope to be able to have more information for the opposition and for the public.

*Administration in the amount of \$257,000 agreed to*

*On Yukon Student Financial Assistance*

**Mr. Byblow:** Under Yukon Student Financial Assistance, we recently amended the act and expanded the eligibility criteria for students. We anticipated, given the economic situation, there was going to be a flood of applicants and perhaps some increase. This does not reflect that. Does the minister have any comment?

**Hon. Mrs. Firth:** We have given out considerably more grants. We did not necessarily expand the eligibility. We increased the amount of the grant and we may have expanded the eligibility somewhat to account for a few students in Yukon who had been falling through the cracks. Numbers of students have increased and

I believe it is reflected on page 75, through the numbers of grants that have been given out. Actual in 1982-83 was 272 and we are estimating 365 this year.

<sup>45</sup> *Yukon Student Financial Assistance in the amount of \$1,124,000 agreed to*

*On Yukon College*

*Yukon College in the amount of \$4,600,000 agreed to*

*On In-House Apprenticeship Training*

*In-House Apprenticeship Training in the amount of \$661,000 agreed to*

*On Employment Development Program*

*Employment Development Program in the amount of \$1,911,000 agreed to*

*On Manpower Planning and Industrial Training*

**Mr. Byblow:** Before we clear this item, what are the intentions of the government surrounding the apprenticeship program money to Cyprus Anvil? The minister knows that we spent a million dollars, last year, as part of that aid package; the minister would then also be aware that the funding period has expired and my understanding is that the apprenticeship program is expected to continue. We have not identified anything in this budget, other than what was spent last year. Now, I am curious whether or not that is not intended for funding, or we can just expect the money message to come.

**Hon. Mrs. Firth:** When we identified that funding last year, it was identified as special funding and we would do the same this year.

**Mr. Byblow:** Is it the intention to do so, again, this year?

**Hon. Mrs. Firth:** We do not know, yet. It would depend on whether the federal government is prepared to make any contribution and, as of today, it has not given us any commitment.

**Mr. Byblow:** I am a little puzzled there, because it was my understanding that it was a territorial government initiative to provide that assistance, as part of the initial total aid package, if you will. The minister is now telling me that if the feds do not come up with the money, the government will not spend it; I am a little puzzled.

**Hon. Mrs. Firth:** The words "total aid package" have a lot of bearing on the decision. The federal government put a portion toward aid and we did, too. If the federal government is not prepared to fund any assistance to Cyprus Anvil, then it would be the sole responsibility of this government and we would have to consider that decision as to whether we were going to fund it or not.

**Mr. Byblow:** I might be confusing general aid and two programs, but the federal government, in the entire aid package to Cyprus Anvil, made its commitment of the \$25 million, which, I believe, broke down into \$19,000,000 worth of loan money and \$6,000,000 worth of program money. The one million dollars of the YTG contribution was outside that \$25,000,000; that was my understanding.

Now, is the minister telling me that, of that, \$1 million, outside the \$25,000,000, was in part funded by the feds?

**Hon. Mrs. Firth:** No, that \$25,000,000 was for the stripping program. Well, if there is no stripping program, there is no apprentice program; what do we need apprentices for?

<sup>46</sup> So, if the feds are not prepared to carry on the program, we will have to reconsider whether we are going to carry on with an apprenticeship program.

**Mr. Byblow:** We have some confusion here. My understanding of the program regarding the \$25,000,000 is that it was a two-year program and will extend to the end of calendar 1984, and in fact now it looks like it will extend a couple more months because they are under budget and all those sorts of things.

But, the territorial injection of the \$1 million dollars towards supporting the 10 or 11 apprentices on the property was for fiscal year 1983-84, which I believe has expired, because it was a budgeted amount intended for expenditure to support this program that has taken place for the past year; the money now being spent would require new money for the second year. In fact, I recall in debate with the government leader that to complete the program there would have to be another \$1 million voted in this fiscal year to complete the program. I am a little confused when the minister suggests that the feds are not delivering on its side of the bargain,

because the stripping program is going to the end of the year; the apprenticeship program obviously would go to the end of the year, but the funding is not there. So, that remains the question.

**Hon. Mrs. Firth:** If the member for Faro will look at page 77 in his book, the last line, Cyprus Anvil apprentices, he can see that 11 of 14 apprentices have been identified in there — 14 apprentices, pardon me — until March of 1985 when the aid package comes to an end.

**Mr. Byblow:** Yes. It would only remain to confirm that the funding required to continue the apprenticeship program to the end of whatever length of time the stripping program takes.

**Hon. Mrs. Firth:** Yes, I believe I indicated this to the members yesterday when I talked to them. I talked about apprentice support programs and I talked about the Cyprus aid package specifically because it works in conjunction with the general industrial training that funds are provided by CEIC and the government pays a certain portion of the salary, the Government of Canada, that is: we picked up the remaining costs. That is why it is done in conjunction with the Government of Canada. It paid \$6.25 an hour for the normal wages; we paid the workmens compensation and some other things, I believe. Then we provided the training consultant who goes to Faro, and the program was effective from May of 1983 to May of 1984. We then sought funding to continue the program until March 31st when the package comes to an end.

I guess, what the minister explained helps clarify it but it prompts another question. Is the minister telling me that the \$1 million appropriated by this government last year towards the program was not spent entirely for the apprenticeship wages and support services?

**Hon. Mrs. Firth:** We only hired 11 apprentices. That consumed some \$680,000. We had approximately \$270,000 or so left over - or whatever, to make up \$1,000,000 - and it was enough to enable us to continue the program. We did not spend the full \$1 million. What was left we put back into the programs until we used up the whole \$1 million. That is why we have been able to extend it.

**Mr. Byblow:** There may not be the need to appropriate new money. Based on what is left over from last year's appropriation plus the assistance of the \$6 per hour per person coming from the feds through their employment program, we may have enough to continue the program to the end of the stripping program; not requiring any new money.

**Hon. Mrs. Firth:** We have enough money.

*Manpower Planning and Industrial Training in the amount of \$264,000 agreed to*

**Mr. Chairman:** Before I clear the total, are there any more questions on page 78 or 79?

*Advanced Education and Manpower in the amount of \$8,817,000 agreed to*

*Department of Education, Advanced Education and Manpower in the amount of \$31,889,000 agreed to*

**Mr. Chairman:** We shall now go back to clause 1 and open up for general debate.

*On Clause 1*

**Hon. Mr. Pearson:** I do not know that I have anything further to add to general debate, save and except for the budget speech. I am quite confident that the members opposite will want to respond to a number of issues. I am most anxious to get the general debate under way.

**Mr. Penikett:** The government leader will forgive me if I do not subject the budget book as a whole, and even his departmental estimates when we get to them, to the same kind of loving attention to detail as my colleague from Faro.

However, knowing me as a person of few words, I will try to get to the things that most interest me. If the government leader discovers, in the course of our dialogue, that there are things that interest him that he thinks I am not asking about, perhaps he can be spontaneous and just provide us with that information.

<sup>48</sup> **Mr. Penikett:** I just have a couple of quick questions before I get into some very general questions.

We had some little discussion, earlier, about the percentage



increase in this budget over last year's. Just so we are clear on this, I believe the government leader used the figure of 12 percent. Could I just confirm from him that this, from his point of view, represents a 12 percent increase from these main estimates, over the main estimates from the previous year?

**Hon. Mr. Pearson:** That is correct.

**Mr. Penikett:** Would I be wrong to say that the increase over the actual spending for last year, to the extent that we know it, so far, is more like three percent?

**Hon. Mr. Pearson:** I would anticipate that the increase over the past year's expenditures, as we know them to date, is in the magnitude of four percent; it is on page four. That number shows up there.

**Mr. Penikett:** I am sure the Minister of Finance will not mind, then, that if he talks about a 12 percent increase, he will not mind then if we took a four percent increase?

**Hon. Mr. Pearson:** The one thing that the leader of the opposition has to recognize is that there is a surplus in this budget and that is not included there. We have to anticipate — and we do anticipate — that that money will be spent by the end of this year. It was at the request of the opposition, specifically, that we started to put into the budget that column, titled 1983-84 forecasts, which is our best estimate of what our actual expenditures are going to be to the end of the fiscal year. There is still one fiscal reporting period left that we do not know about, but we are estimating what are costs are going to be.

You will recall that we had, in fact, a surplus estimated in our budget, last year, and we have a surplus estimated in our budget this year. It is fair for us to say that the difference between the two is 12 percent. It is also fair to say that, at this point in time, we anticipate spending — we are appropriating four percent more than what we spent last year, but every member of this legislature knows that we will have supplementary estimates in the fall, that will increase that four percent dramatically, I hope.

**Mr. Penikett:** The government leader has, in some sense, anticipated my next question, when he says that he is going to be spending the \$4,000,000 identified as surplus. I expect we could have a great long conversation about the ways in which that could be spent and how it might be spent, although I suspect that I would not be making a terribly dangerous predication when I suggest that we might be debating what it is being spent for after, in fact, it is spent.

<sup>90</sup> What I want to do, though, since the government leader has titillated me with his notion of spending the four million dollars is get to the question of working capital position. I am depending on my memory here — I confess, a notoriously unreliable instrument but it is the only one I have — with respect to our working capital position of the government. As I recall, when the present government leader or the government leader was first elected in 1978, the working capital position of the government was something like \$25,000,000. As a result of the economic situation, 1982, at the time of the last election, we were down to practically nothing; we had very little. Last year, there was, of course, a surplus budgeted and then spent. This year we are budgeting a \$4,000,000 surplus, but I would be curious to know if the government leader could give me any idea as of this moment what our working capital position is.

**Hon. Mr. Pearson:** It is very difficult to pick on a specific day as of this moment. It has been no secret; since I have been the Minister of Finance, I have been of the very, very strong opinion that this government cannot operate and function effectively without a minimum working capital of about five million dollars or, ideally, a working capital of around eight million dollars, it seems to me. My experience has been that that is about the amount of money we need in working capital.

We are in fact functioning right now between the five and the six million dollar figure and we are starting to feel fairly comfortable with that.

**Mr. Penikett:** Moving from the question of working capital position to the subject of capital generally — and I want to emphasize this has nothing to do with the new education program proposed by the minister whose estimates we were just considering

— I want to talk about the position — if you like, an economic question which is of interest to the government leader — and that is the problem of capital formation in the territory. A problem which is in fact not unique to us but a problem that many developing areas and that areas the world over have, which is the problem of as you acquire political sovereignty and you want to increase your economic clout, one of the things you have to increase is the capital formation within your own boundaries: a capital which, to put it bluntly, is subject to the political sovereignty of the local government, which most of the major capital that operates in this territory is not at the moment.

For this reason, using what sources of local capital we might have available to us in the local economy becomes very important, at least in my view, and I suspect, I think, in the government leader's view. I previously asked the government leader on a number of occasions about this government's employees' pension funds. The question, I think, was raised again recently because it was touched on in the report of the parliamentary committee. Obviously the government leader could not give a very long answer in Question Period when I pursued the question. Could he elaborate a little further now about the state of any discussions that may be going on about giving this government and this community access to that pool of capital?

**Hon. Mr. Pearson:** I regret to say that my answer cannot be very much longer than it was in Question Period because, really, what has happened is that we have received the approbation, I believe, of all of the provinces, without exception, and we have also received the approbation of the current federal Minister of Finance, to have the necessary legislation changed — the Canada Pension legislation — when it next comes to the House of Commons.

<sup>91</sup> When the Minister of Finance gave us that approbation, he did not yet know when it was scheduled to come to the House for amendment, but there is, evidently, a necessity to amend that legislation some time soon.

The provinces now agree that we should be entitled to access to that capital, the same as the provinces are to theirs. At the present time, what happens is that if we ever wanted to get to that money, we would have to get the Minister of Indian Affairs and Northern Development to get that money for us, and that has been deemed, by us, to be just not worth the effort to go through.

I think, probably, the thing that might interest the leader of the opposition a little more, with respect to capital acquisition, is where we are with our negotiations with the Government of Canada on the very interesting topic of formula financing. The provinces, as you are aware, are all financed by formula. It has been the custom of the two territories that they were financed by the Department of Indian Affairs and Northern Development, through what they called a deficit grant system. They would determine how much money they were going to give us each year and that is what we got and that is what we lived with. If we could not live with it, we went back and we got more. It never, ever has been a very responsible way to run a government. However, that was the system that has been in place for years and years.

We, with the advent of party politics and political-type government in Yukon, began negotiations with the Government of Canada, with respect to formula financing. It has been a tremendous amount of negotiating and we are very close to an agreement, to a settlement, as to what this formula should be. However, it is going to be very critical to us that we get agreement upon the right base year, and it is going to be so critical for years down the line to get agreement on what year the base should be predicated on.

As I say, we think we are close to agreement and it may come at any time. It will take us about a year and a half, probably, after that agreement to implement. So, we are still faced with another year or two of this type of financing before we finally get to the formula. For so many things, now, we are on formula.

<sup>92</sup> Under EPF, extended health care, income tax, and so on and so forth, we are on the provincial formula. We are on the formula with so many things. It is just getting that final step so that we are locked in and the federal government is locked in. Then we are in a



position to start doing some of the long range planning that I know interests the leader of the opposition so much, as well.

**Mr. Penikett:** I appreciate the government leader's comments about the question of formula financing and the difficulty of establishing, from our point of view, the best base here. Given the kind of tremendous changes that our economy has gone through in the last few years, the days when we could assume that there would be steady growth or that there would be some kind of pattern like that that would be to our advantage, are obviously gone for a while.

Before I get back to that question, I would like to continue on the theme I have been pursuing, which I addressed in my second reading speech, that of the leaks in our economy. I do so, even though it was a somewhat lighthearted speech, but because I think it is a serious economic problem for us. It is not the only economic problem, but it is one way of looking at the problems we have.

In respect to the question of not only capital formation, but using what limited available pools of capital there are available to us, the government leader will recall some discussion prior to the last election and during the last election about workers' compensation funds. He will recall, even though there may have been some disagreement about it, that I was concerned about the amount of money in those funds that was invested outside the territory, and which is a parallel problem to the need for us to draw investment from outside the territory all the time. For a community that wants to be self-sufficient and develop its own economy it is, at least in principle or theory, a nice idea to be able to utilize whatever money you can get locally. Every time it goes outside or passes through someone else's hands he takes a piece and, therefore, our total wealth is diminished in a small way.

Since that time, I have gone to the trouble of finding out a little bit about the kinds of limits under Canadian law there are for the uses to which such funds can be put. I understand that such funds as are held in the assets of the workers' compensation board could be used, theoretically at least, for such things as municipal bonds or municipal financing. A certain amount of them could be. We have been tentatively, under the tight supervision of this government, talking about some sort of more private municipal borrowing by some of the municipalities. This City has some experience with that. There are other municipalities doing it.

Could I ask the government leader, without regard to the ideological discussion we had during the election about the appropriateness of this, about whether this is an area - I do not want to focus entirely on the workers' compensation board, it was the only one that was convenient for me to think about at the moment - that is under continuing discussion or scrutiny by his administration?

**Hon. Mr. Pearson:** Certainly. It is under continual scrutiny. We, by legislation, limit to a great degree the actions that the workers' compensation board can take.

There are also limitations in our *Financial Administration Act* in respect of those funds because they are in fact to a degree trust funds that are held in trust by the government. But it is an area that I think our previous discussions have opened up the thinking by people who have handled the money in this government, and I think if the occasion arises we certainly would not be adverse to looking at the possibility of using those funds.

**Mr. Penikett:** One other question about, if you like, local capital that I would be curious about: the public accounts seemed to indicate a certain amount of money - admittedly not a large amount of money - that this government has in mortgages, and when I asked about this it seems to me that I recall that this may have been some Porter Creek mortgages that were issued in the days of Commissioner Smith - it was not part of that?

Anyway, whatever good reasons there may have been - because the charter banks would not finance certain kinds of properties out there, which is not a problem which has entirely disappeared, as the members will know - could the government leader tell me something, because there is not a lot of information, he will understand, in the accounts, about what our experience with those mortgages has been - what the status of them is, in a general way - and have they been from the government's point of view good investments or have we had some problems with them or are there

any particular administration with carrying those things? Could he just tell us anything he can about them?

**Hon. Mr. Pearson:** I think probably our experience has been remarkably good with those mortgages. They were in fact second mortgages, taken on the first residences built in Porter Creek. This was in the days, as he said, of Jimmy Smith, just after he became Commissioner; in fact it might have even before he became Commissioner. I think maybe Porter Creek started up just before he became Commissioner. But the object of the exercise was that those people were building out there and it was a low-cost housing area, there were no services, and as a consequence the banks would not guarantee all of the money. I am sorry, not the banks, but Central Mortgage and Housing Corporation would not be involved. So the Government of Yukon became a mortgagor for housing in that area. The plan did not last very long. If my memory serves me correctly, I believe it was three or four years, something like that, that those mortgages were available. When I say that I think our experience has been good, the territorial treasurer, the Deputy Minister of Finance, has never raised the issue with me and I would suspect that if our experiences were being bad he would raise it quite quickly with me. Also, I cannot recall seeing any specific or any large number of write-offs of bad debts in relation to that particular location over the years.

**Mr. Penikett:** I raise it now, not only because I think it is germane to the discussion about the wide range of uses to which limited pools of local capital might be put, but it is a question that I - and I share this with the government leader - had to think about recently, in connection with the problem of rural banking services. I have heard from people - not that they wanted me to act on their behalf - who told me about difficulties they continue to experience with CMHC and with the charter banks about mortgaging, especially on property where there is not the conventional sewer and water. It seems that the head offices of many financial institutions do not understand that kind of property and do not understand that kind of building.

It seems to me that it is the case here in Whitehorse, and it is also the case in some of the rural communities, but the problem could be compounded, if you will forgive me for observing so, in those communities where there is no local lending institutions and there is not a manager who is acquainted with the local situation, and so forth. So, it would not surprise me if there may be, at some time in the future, requests from certain parts, especially rural parts, of the territory, for the government not, perhaps, to play exactly the same role again, but to play some role, even as a guarantor, in home mortgages, or something.

I would like to move now to the question of the capital needs of this government, if you like, and ask about the private borrowing that we were entertaining, which we have legitimized now by statute. Can the government leader share with the committee something of his experience with the agency with which the government contracted to do the bargaining? I think it was a contract with a bank and with a firm - one of these houses in New York, anyway, that do this kind of thing - and briefly explain what borrowing have we done, if any, what kind of interest rates have we been getting - have we been getting the same as the feds, or have we had to pay something on top of that - or whether we have a rating yet, which is different from the federal government? The government leader might also, if he cares to, if we have done any borrowing, tell us what the costs are for us?

**Hon. Mr. Pearson:** We have borrowed some money; there has been a bond issued in the name of the Government of Yukon. It went very, very successfully. I was most interested in who some of the buyers of those bonds were and I think Mr. Finland and I felt a fair degree of satisfaction that the experiment, if you will, has worked very, very well.

I will get that information and give it to the leader of the opposition on the next sitting day, for sure. It is just a case of having to get the information together.

**Mr. Penikett:** That leads me, logically, to the next question that interests me. It is a question of, if you like, how you define a deficit for a government like ours?

I recall, with amusement, some advertisements during the time of

the last election that quoted the Auditor-General praising this government for having a balanced budget. I do not recall who was writing those ads, but it seemed to me there was a big difference between the Auditor-General's reports to that of the government about its balanced books, but there is a big difference, of course, between a balanced budget and balanced books.

It is a problem for this government, because, when we have, as many provincial governments do, a large part of our budget being picked up by the senior government and being funded in one way or the other by the senior government, it is difficult to know what the deficit is.

It seems to me that in one sense, until we reach the day when we borrow some money on the private market, there was no way in which we could have a deficit. Presumably we could bankrupt the place. In seriousness, we could owe people money. In the long run, the only way we could accumulate a deficit, whether or not that was a desirable objective or not, is by borrowing on the market and having a line item in the territorial accounts that said we owe this much money, not just to the feds but disputed amounts for the hospital, or that we owe a certain amount to certain lenders. Could the government leader indicate to me, or indicate to the committee, if the fact that we have been venturing into the bond market caused him to do any thinking about how you would find a deficit for a government like ours and whether this will have any impact on the way in which we might be stating such an issue in the accounts.

**Hon. Mr. Pearson:** Certainly. I do not think we are very far away from the days when we have to deficit finance, unless there is a remarkable turnaround in the economy. I want to tell the leader of the opposition that a government like this one, financed the way it is, can get into a deficit situation. Ask the Department of Finance in Ottawa about the Government of the Northwest Territories and what happened there. It is a very serious situation. Respectfully, I believe because it did not happen here — because of the responsibility of politicians over the years, be they appointed or elected — it did not happen here. We have a very good reputation with the Auditor General of Canada and with the Government of Canada in respect to financing. For as long as I can remember it has always been one of the axioms of this government that it would live responsibly and live within the budget amounts that the Government of Canada was prepared to give us.

On the question of deficits and bonding, I think that eventually as we gain responsibility we will be faced with those issues. Certainly our public accounts will reflect whether we are in a deficit position and what our borrowing status is. In respect to the budget, the exercise that we are in here, now, what we are talking about really is the spending of the money and whether or not we have a balanced budget. That is what it is all about. Have we enough money or do we have to borrow more money in order to spend what we would want to spend here. At this point in time we do not have to borrow.

**Mr. Penikett:** I do not intend to waste the time of the Committee exploring that issue in great detail. The government leader will understand my interest because clearly it is an entirely different proposition when you owe the federal government some money, even if it is disputed sums that may be carried on both sets of books for a while.

It is an entirely different matter if, in fact, you have obligations to, say, New York financial institutions, which could have a bearing on your interest rates and your credit worthiness or your bond rating and, therefore, become a matter of costs and costs that have to be stated somewhere in the estimates. They have to in fact talk about what those costs are for you.

To move on though logically, if I may, to the revenue side of this picture and go back to an issue that the government leader and I spent some enjoyable time discussing in the last House, and that is a problem of collecting taxes. The government leader is fondly recalling my fairweather friend's bill, which I think many people thought was a good idea but not terribly practical. The fact of the matter is we still, it seems to me, have, as I said, a large number of people operating in our economy who are non-residents. That goes for both companies and for workers. There are all sorts of things we can do in terms of general government policy and social policy and so forth to try and get people to stay in the territory. We have

probably done some good things for seniors in helping them stay in the territory. It is still a problem for us.

We have, in fact, literally thousands of people who come here in the summer, who make their money here, enjoy the benefits of living here in the territory during the best part of the year, and then go somewhere else. And, at December 31st, they are somewhere else and they pay their provincial or other taxes to another jurisdiction. Maybe, in the long run, the solution to that is to have the federal government start their fiscal year on July 1st or something and then we, at least, would be better off but I do not know about anywhere else.

As a general question of fiscal policy now and as a problem of revenue collection, when I debated that bill in the last House I thought I was in fact raising a question about a serious problem — I think I was the first person to raise it. Obviously, I would assume that the treasurer of this territory is a person who has had occasion, in a number of his roles in his long career, to have thought about this problem of revenues for the territory and, if you like, leakage of revenues — because that is what it is: it is a problem of leakage of taxation — and to see if he has or has been in a position to suggest to the government leader any ways or means that we can employ to help plug that leak, if you like, or plug those holes?

**Hon. Mr. Pearson:** We had a couple of ideas over the years but, of course, they have all been proven to be illegal for one reason or another. But I feel we have made a bit of headway in the past year in that we are now plugged into, if you will, the federal provincial meetings of financial officers for the various governments in Canada. I am still not invited to the meetings of the finance ministers of Canada. I think that is the only ministerial meeting that we are not invited to.

Some day, we will get over that little roadblock, probably. Our deputy minister, for instance, is invited to the deputy ministers meetings of finance.

At the last meeting that was held in Montreal, about three months ago, this issue was raised by our delegation, on our behalf. Of course, the magnitude of it is not felt anywhere else in Canada — I guess, probably, that is not quite true. Evidently, Newfoundland has a similar type of situation that happens to them, although not quite as bad as here, and some of the Maritime provinces, to a lesser degree. However, it evidently was quite impressive to the other officials there that we are suffering this kind of a hardship. That is what it is deemed to be, it is a hardship.

The leader of the opposition is absolutely correct. It is a leakage. We just do not know how to plug that hole in the bucket, yet, but, eventually, I think fairness is probably going to have prevail. The Government of Canada is going to have to recognize, in its fiscal policies, that the north is different. If we can it once to accept that fact, then we may well have a chance of plugging that hole in the bucket.

**Mr. Penikett:** This is a subject that the government leader and I can, I am sure, talk for hours about. I appreciate there is some work going on and I look forward, if there are some workable ideas or some effective remedies, to seeing them come forward before the House.

I would like to move on to another question of economic policy, if you like, or economic development policy of the territory, which has some cost to the government. I refer to the local purchase policy of the government, a policy that I would want to emphasize again, in committee, that I supported and my Party supports.

I want to tell the government leader something that I am sure he has heard, namely, that there are a number of people in the community who think it is an inappropriately costly policy. For example, I recently heard from a school teacher, who reported a case — I do not know if this was heresy or first-hand, it does not matter — of wanting to purchase some sports equipment — it may have been basketballs, or whatever — and finding that they could get them at one price, price "x", outside unit cost. Then, when shopping around to the local suppliers, which the policy of the government appropriately said to them to try and deal with local suppliers, found that it was three times "x" or four times "x" or five times "x". In other words, there was a considerable mark-up, which was a cost to the taxpayers of the territory.

It is the same problem with bid preferences. Where do you draw the line and what is the perfect balance between trying to give an extra incentive or an extra inducement to the local people or try to keep the dollars circulating in the local economy?

» Where do you draw the line?

I wonder if the government leader could just take a minute and indicate to the committee, as Minister of Finance, what kind of concerns he has heard expressed on this score and whether the government is thinking in respect to this policy and its costs to the government has changed at all?

**Hon. Mr. Pearson:** That is a very difficult subject. It is one that we monitor very closely. The system for the majority of the people in the government works to the degree that we try and get local prices on every item. If it can be supplied by a local supplier then we insist that local prices be got.

That does not preclude the department, or particularly the government services who do the purchasing, from getting outside prices as well and making a comparison. We are sort of flying by the seat of our pants on this. We are trying to, given our fiscal hardships in this territory, we have really concentrated on trying to purchase locally because that does keep the money going around here and it has made a difference. If the deputy minister of government services feels, though, that it is excessive, then he goes to his minister and sits down and has a talk with him. Sometimes that minister will come to me or go to some of his colleagues and talk to them. We try and reach a consensus as to what is fair. I think that is probably the bottom line. This is what we have been trying to do.

Is it really fair? Sometimes we go outside. I do not think there is anyone in this House that is prepared to sit still for the taxpayers of the territory being "ripped off", just for the simple fact of buying locally. We just cannot do that. I think we are far too responsible to do that. That is why it is so difficult to operate with bid differentials as well. It is a little easier with bid differentials because you can set a percentage figure.

We have been reluctant to set a percentage figure in respect to purchasing, because it can make such a tremendous big difference. For instance, if you have a 15 percent differential and you have a \$100 item and the local guy is \$120, you are going to buy that item locally for the \$5 difference. There is no doubt about it. If it is a \$4,000 item, maybe the 15 percent is a reasonable differential at that point in time. It is very difficult to put a percentage number on it. We have been trying and we have been concentrating on trying to buy locally. We have also had a lot of discussion with suppliers locally.

» We will buy off you if you will stock the parts here so that we do not have to buy from outside, and that system is working, as well. I think, for the benefit of everyone in the territory.

**Mr. Penikett:** I thank the government leader for his answer. That is something my colleagues and I might want to pursue a bit more when we get to government services.

Let me turn now to a question which, in my mind at least, is linked a little bit, which I raised in my second reading speech, which is the possibility of in fact going one step further with this and having a local materials policy. I admit right off that that is easier said than done in a great many things, but having said that, it occurs to me that if we really want to recycle dollars here and we really want to build an economy based on what we have here — whether they are rocks or trees or what else — this may be quite difficult in the short run but in the long run could have some potentially quite profound benefits not only on our economy but on, if you like, our local culture and the character of our communities and neighbourhood.

There are two things. First, I would guess, for the foreseeable future, much of the building, at least in terms of public building, around here is going to be done by the territorial government. Some of it may be done by the federal government, but the territorial government is going to have a hand one way or the other in a lot of the public building. Even if the territorial government is not actually commissioning many of those projects, it probably is in a position to set down some kind of criteria or standards to other players and maybe you might even find the federal government

willingly, as it has done in Dawson, cooperating in such a process.

The second thing that shocked me about that was the comments and observations by the gentleman from Heritage Canada, the architect and lawyer who was in town last week talking about the character of our community. While a lot of people — and I am one of them — do not always enjoy outsiders coming in and criticizing what you have, in truth I had to admit there was a certain kind of truth to what he said. That was again linked with the idea, because I think he mentioned it, that we were in fact in many cases duplicating southern architecture and southern materials and that we should in fact have more respect for our own natural environment and make better use of local materials and so forth here.

» I understand that there may be problems with national building codes and some things like that. I do not believe those are insurmountable, because in Dawson City, for example, I think there is a real renaissance in buildings there and a lot of people building new homes in the character of the tradition who are not even in the historic zone, but who have made a conscious act that they find this appealing and attractive and desirable, in terms of their own lifestyles.

Even though I understand that, in the short run, the cost of developing new methods of quarrying certain kinds of Yukon rock or the cost of trying to find ways of using the timber that is available in Yukon forests, for us, might be slightly higher than using some of the prefabricated building materials from the south, I wonder what the disposition of the government leader is towards trying to consciously say, "Let us use more of the local materials. Let us try and find, if we can, architects or designers or people, locally, who are willing to try and do experiments with them." — and let us be frank and admit that there may be some unhappy experiments, in the short run — with a view to maximizing not only the use of local materials, but, logically, the use of local labour and, in concert with the Minister of Education, therefore, the development and training of skills for using those materials and labour. Not only would that keep dollars in this community, but it will help what we create in our public works to be more in character with this place or in harmony with our geographical features and with our history.

**Hon. Mr. Pearson:** If the leader of the opposition is not careful, he is going to be invited to walk across the floor here, philosophically. My goodness, we are very, very interested in this kind of thing and, of course, are acting on it now.

I am not sure — I guess it will arise in the economic development budget — but we have a number of programs underway. One, specifically in energy conservation, which the minister, I am sure, will get great delight in telling you about, where we are helping a local entrepreneur get into the business of supplying locally produced fuel. There are just so many things like this going on, and we are spending a fair amount of money in trying to encourage local enterprise, particularly in the field of energy conservation.

I guess, probably, one of the major problems we have is, of course, being careful that we do not re-invent the wheel. Also, one of the factors, particularly now, with our economy being the way it is, is cost.

» Usually we find that we do not want to re-invent the wheel, and it is cheaper to go outside for some things. On the whole, you will find this side of the House very pleased to look at any kind of a suggestion that will encourage local enterprise.

**Mr. Penikett:** I must say to the government leader that I did see the press release about the project being referred to by the government leader. I am sure he will also be pleased to know that I read that same gentleman's comments at the Conservative convention, in respect to local materials policy. I found them agreeable. I noticed them particularly.

The thought that I want to leave the government leader with - we are running out of time - I am not disputing or criticizing anything that has been done. Not that I would grant him the notion is exclusively, philosophically of one House or another. The point I want to make, that is worthy of some more discussion in this House, is that there is real leadership role that a major public institution such as this government could play in terms of setting some trends, setting some characters, become very much a

trendsetter in terms of use of this thing. Up to now, I think a lot of the leadership being demonstrated in the category has been by private builders in terms of building their own homes, log homes in country residential areas recently. Let me be frank in saying that I appreciate what has been done in the energy conservation area, that in terms of some of the major public works, whether it be school facilities or whatever — and I know about the Old Crow experiment — I think that the government of Yukon could play a larger role and I would be enthusiastic if it did.

**Hon. Mr. Pearson:** I would move that you report progress on Bill No. 12.

*Motion agreed to*

**Hon. Mrs. Firth:** 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 Committee?

**Mr. Brewster:** The Committee of the Whole has considered Bill No. 12, *The Second Appropriation Act, 1984-85*, and directed me to report progress on same.

**Mr. Speaker:** You have heard the report of the Chairman of Committee are you agreed.

**Some hon. members:** Agreed.

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

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

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

*Motion agreed to*

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

*The House adjourned at 5:28 p.m.*

**The following Sessional paper was tabled May 3, 1984:**

84-4-21

Fifth Report of the Standing Committee on Public Accounts (Penikett)