



# The Yukon Legislative Assembly

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Number 27

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25th Legislature

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## **HANSARD**

**Monday, May 7, 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

**Whitehorse, Yukon**  
**Monday, May 7, 1984 - 1:30 p.m.**

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

*Prayers*

## DAILY ROUTINE

## INTRODUCTION OF VISITORS

**Hon. Mrs. Firth:** I would like to welcome the students from Ste. Marie Dedeaucé, Quebec, to the Legislature this afternoon. These students are part of the Open-house Canada Student Exchange Program.

*Applause*

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

## TABLING RETURNS

**Hon. Mr. Pearson:** I have for tabling the answer to written question number one.

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

## INTRODUCTION OF BILLS

### Bill No. 27: First Reading

**Hon. Mr. Tracey:** I move that Bill No. 27, *An Act to Amend the Motor Vehicles Act*, be now introduced and read a first time.

**Mr. Speaker:** It has been moved by the hon. Minister of Renewable Resources that a bill, entitled *An Act to Amend the Motor Vehicles Act*, be now introduced and read a first time.

*Motion agreed to*

**Mr. Speaker:** Are there any notices of motion for the production of papers?  
 Notices of motion?  
 Ministerial statements?  
 Oral questions?

## QUESTION PERIOD

### <sup>01</sup> Question re: Bilingualism legislation

**Mr. Penikett:** I have a question for the government leader. Has the Government of Yukon had any recent communications, either with the Secretary of State or the Minister of Indian and Northern Affairs, concerning the progress through the House of Commons of the act to make Yukon and Northwest Territories officially bilingual?

**Hon. Mr. Pearson:** No, the last communication that I had was from the Minister of Indian Affairs and Northern Development, a week to a week and a half ago. He indicated at that time he would be most interested in our feelings in respect to tabling legislation in this House that would have the effect of making Yukon bilingual. I have just sent to him the text of the motion that was passed unanimously by this House.

**Mr. Penikett:** I would like to get back to Mr. Munro's statement in a second. On Friday, the Secretary of State, Serge Joyal, was quoted as saying that the NWT has taken steps that could preempt the federal initiative by bringing in a language act of its own. Has the government leader made himself aware of the NWT's government strategy to avoid being made bilingual by remote control?

**Hon. Mr. Pearson:** They are not going to avoid being made bilingual by remote control or any other kind of control. What the minister has done is to hold out probably an olive branch to the NWT and a threat to us. He has said to the NWT "If you do this,

maybe I will change my bill and take you out of that bill, but I will leave the Yukon in".

<sup>01</sup> Conversely, he has said to us, "if you do not do what the NWT is doing, then I am going to leave you in the bill". I think that the feelings of this House were very well put in the motion that was passed unanimously by it. I might say that, in spite of that, we are in negotiations with the Secretary of State's office and with the minister's office. There are officials from both departments here in Whitehorse today meeting with officials of this government, and surely one of the topics is the proposed piece of legislation that the minister has tabled in the House of Commons.

**Mr. Penikett:** I would be interested in hearing further from the government leader about the threats and the promises. As well, on Friday the Minister of Indian Affairs and Northern Development, John Munro, seemed to say in the public statement that the federal government may withdraw its bilingualism bill if Yukon took steps to improve French language services. At least, that seemed to be the essence of his statement. In the interests of stalling the federal measure, what steps has this government taken to ascertain exactly what moves are necessary to recapture the initiative in this field?

**Hon. Mr. Pearson:** I think we do have the initiative at this point in time. It must be well understood that there have only been threats; there have been no promises. None at all. There have only been threats. We feel very strongly that it is not the right time to make Yukon bilingual, and that we are on a program of becoming bilingual in this territory that is progressive, and that will make it happen at the earliest possible date.

<sup>04</sup> I have expressed the fear before, in this House, that the ministers percipitous action probably set back bilingualism, in Yukon, a number of years.

### Question re: Highway truck traffic

**Mr. Byblow:** My question is also to the government leader, on a transportation question.

The government leader recently received an appeal from Cattermole Wood Products, of Watson Lake, for a reopening of the South Klondike Highway to heavy truck traffic, in order that that company would be able to secure long-term contracts with Japan for its lumber products. What position to this request has this government taken?

**Hon. Mr. Pearson:** It was not a request; it was, in fact, a piece of information from Cattermole with respect to a prospective contract that they were hoping to enter into with the Pacific rim countries for the supply of lumber or timber. They pointed out how much more beneficial it would be for them, should the Skagway Road be opened, than having to haul either to Haines or having to trans-ship, to unload here in Whitehorse on to railway cars and haul it down the Skagway Road.

It was, primarily, a representation for the opening of the Skagway Road and we have received it in that context. I am sure it will be a matter of serious consideration when we are in a position to try and determine exactly what should happen, given the railway/highway situation.

<sup>05</sup> **Mr. Byblow:** Has this government responded to that request to the company by at least forwarding the information to CTC?

**Hon. Mr. Pearson:** I cannot say whether there has been a formal response yet to Cattermole. However, I would suggest that if there has it would only be in acknowledgement of the letter.

**Mr. Byblow:** Can the government leader advise whether he has had any other official appeals favouring an all-road route to tidewater from either Cyprus and Cattermole?

**Hon. Mr. Pearson:** The other one that comes immediately to mind was a brief presented to us by the Yukon Federation of Labour.

### Question re: Smoking in government buildings

**Mr. Kimmerly:** To the Minister of Government Services, who is also the Minister of Health, an easy question probably answerable with a yes, or no answer. Is there a government policy concerning smoking in government buildings?

**Hon. Mr. Philipsen:** No.

**Mr. Kimmerly:** Has the government considered a policy regard-

ing cigarette smoking in government buildings in areas frequented by the public?

**Hon. Mr. Philipson:** No.

**Mr. Kimmerly:** Has the minister consulted with the Yukon Medical Association on this issue and learned of the compromise reached in the general hospital on this issue?

**Mr. Philipson:** No, but I would invite the member opposite to come up and see my official commendation from Saskatchewan. I quit smoking.

#### Question re: Old Crow Co-op Bank Account Seizure

**Mr. Porter:** A question to the government leader. I understand that the Government of Yukon has reacted angrily to Revenue Canada's decision to seize the bank account of the Old Crow Co-op. Has the Government of Yukon, through the Department of Finance, taken any action to assist the Old Crow Co-op?

**Hon. Mr. Pearson:** No. At the present time, it is our understanding that in fact the Department of Indian Affairs and Northern Development, whose direct responsibility this is, is attempting to put together some sort of a package to assist Old Crow in respect of the untimely seizure of their funds by the federal Department of Revenue. If, for some reason, the federal government does not come through — and they have not in other times — and if they stay true to form and do not come through this time, then I am quite confident that we here, in Whitehorse, will do everything we can to make sure that the people of Old Crow do not suffer any hardship.

**Mr. Porter:** Under the tripartite agreement regarding the Teslin school, the Yukon government has a responsibility of paying \$100,000 to the Teslin Indian Band and I understand that the Yukon government has taken \$75,000 of that original amount and paid the money to Revenue Canada. Why was the money not paid directly to the Teslin Indian Band?

#### Speaker's Ruling

**Mr. Speaker:** Order please. This supplement is not supplement, of course, to the original question. The original question was regarding the Old Crow school and the Chair can find no relationship between the question asked by the hon. member and the original question.

**Mr. Penikett:** If you were attentive to my colleague, you will understand that his questions concerns the dealings between this government and Revenue Canada and certain communities in the territory. Therefore, you will understand there is not only consistency, logically, but a definite connection in sequence between the questions that he in fact has asked and proposes to ask. If you will be so kind as to permit them, Mr. Speaker, I think the connection and the logic will be very clear to you.

**Mr. Speaker:** I thank the hon. member and if there is any connection that has not been seen yet no doubt the hon. member will explain.

**Hon. Mr. Pearson:** Thank you. I am sure that if the member for Campbell was to look back in the records, he would find that in fact it was DIAND who was to pay this \$100,000 to the Teslin Indian Band for the land that the school was on, notwithstanding the fact that we had to pay the federal government first. There are very, very strict rules with respect to us paying out federal money, or paying on behalf of the federal government money, to anyone. Those rules are in the *Financial Administration Act* and there is absolutely nothing we can do if funds are, for the lack of a better word, seized by the federal government first. That is what happened in this case. The remainder of the money, I should tell you, has also been sent to the federal government.

**Mr. Porter:** Can the government leader explain to this House why, on the one hand, he has taken a position in favour of a local community against the Department of Revenue and then, on the other hand, in another instance involving another Yukon community, has sided with Revenue Canada? Can he explain the contradiction?

**Hon. Mr. Pearson:** There is no contradiction, at all. What is happening in Old Crow is, if they do not get some funds to replace

the funds that were seized last week by Revenue Canada, they will not be able to buy fuel oil.

The Teslin situation is one that has been in the mill — it has been going around the mulberry bush for — I am not sure, I cannot recall how many years; it is an awful long time. I have not ever been told that anyone in Teslin has suffered any undue hardship as a result of the action taken by the federal government. Surely, if they are suffering an undue hardship, that is to whom the complaint should be made: not to this government.

#### Question re: Yukon Housing Corporation caretakers

**Mrs. Joe:** I have a question for the minister responsible for the Yukon Housing Corporation.

Reports in the local newspaper have indicated that the caretaker position at 207 Alexander Lodge will be terminated. Is this true and, if it is, when will this service end?

**Hon. Mr. Ashley:** I am going to have to take that question on notice. It is a matter, I believe, between the board and the administration of the corporation. I am not aware of it, so I will take the question on notice.

**Mrs. Joe:** Has the department monitored the special needs of those tenants living at Alexander Lodge, with the view of providing special services, if necessary?

**Hon. Mr. Ashley:** The same thing goes for that. The corporation's board of directors takes that into account when they make such decisions.

**Mrs. Joe:** Where will the tenants of Alexander Lodge be housed during the renovations?

**Hon. Mr. Ashley:** They will be housed in different places around the city while the renovations are going on.

#### Question re: Economic Council

**Mr. McDonald:** I have a question for the minister responsible for economic development.

It was reported, today, that the recently conceived economic council met today to establish the council's terms of reference and to establish membership. Can the minister say if labour or working people will be represented on the council and if the Yukon Federation of Labour has been consulted as to the appointment?

**Hon. Mr. Lang:** The meeting that we had this morning was strictly a preliminary meeting to discuss the terms of reference. There is planned a further meeting, tentatively set for a week Monday. The Federation of Labour was contacted, or attempts were made to contact them, I believe, three times by telephone, to indicate that such a meeting was on. A package was sent to them and, I expect, they will be invited to send a representative to the next meeting, scheduled, as I said, for next Monday.

**Mr. McDonald:** I thank the minister for his answer.

What sort of representation will rural Yukon be assured to ensure that economic decisions truly reflect a Yukon-wide perspective and encourage development in rural areas?

**Hon. Mr. Lang:** That is definitely going to have to be taken into account once the terms of reference and some consensus in respect to what the size of the council should be. I want to make it very clear that there is going to have to be some regional representation to insure that it meets the principle that the member speaks of.

**Mr. McDonald:** I thank the minister for that answer. Can the minister say whether the consensus at this meeting this morning was that the minister should remain chairman of the economic council? If so, is it the position of the government that the representation at this meeting was wide enough to ensure with any security that this will remain the consensus?

**Hon. Mr. Lang:** As I stated in the House initially, I intend to chair the council. I intend to continue to do that. But I also indicated at the meeting this morning, as well as I have indicated in the House, the possibility exists that I may well step aside because of the commitments that I have. I should point out that I do have the MLA for Kluane involved in the discussions so that there is at least one political person from the House involved in respect to the proceedings that are undertaken.

**Question re: Kwanlin Dun band relocation**

**Mr. Penikett:** I, too, have a question for the Minister of Municipal and Community Affairs. Since the minister was to meet with the City of Whitehorse this morning to discuss the Kwanlin Dun band relocation to the new Hillcrest subdivision, I wonder if he can report on the status of the relocation plan as a result of that meeting. Is the relocation proceeding?

**Hon. Mr. Lang:** The relocation was discussed in a very general sense. I will have to bring back specifics in respect to just exactly where it is in negotiations between the Department of Indian Affairs, the band, the City, and ourselves, and in respect to exactly what stage the possible relocation is and what time frame they are looking for.

**Mr. Penikett:** I thank the minister for his answer. Given that the discussion was only a brief one this morning, could I ask the minister if representatives of the band were present at this morning's meeting and were any discussions held on the form of local government that will be in effect for the area?

**Hon. Mr. Lang:** No. It was primarily to brief the new council, which was just elected in the past couple of months, with respect to exactly what the principles of the relocation would take, in view of the land claims that have been negotiated with the Council for Yukon Indians. There may be some other minor revisions to that for the purpose of relocation that is presently up in the air.

**Mr. Penikett:** Last week the minister said that the decision to put a ward system in place would have to be made between ourselves and the City of Whitehorse. I wonder, since I assume the band will have a part in any such decision process, if the minister can tell us what role the minister sees for himself or his department in the establishment of such a ward system in the City of Whitehorse?

**Hon. Mr. Lang:** So that I do not give a partial answer, I think I should take that question under notice. I will explain in written form the procedure that would have to be taken.

**Question re: School staff housing in Faro**

**Mr. Byblow:** I have a constituency question on housing that I firstly direct to the Minister of Education.

A staff member of Van Gorder school in Faro resigned last week due to a lack of acceptable staff housing, and this morning withdrew that resignation because alternate accommodation was arranged within the limited private market of that community. Is the minister aware of this situation?

**Hon. Mrs. Firth:** No.

**Mr. Byblow:** I direct my supplementary to the minister responsible for Yukon Housing. Since there is clearly a shortage of adequate staff housing in Faro, and no public housing program at all to fall back on, what is Yukon Housing going to do to meet its mandate to supply adequate staff housing in that community?

**Hon. Mr. Ashley:** The corporation does meet the qualifications of adequate staff housing. They do have a staff housing unit available. It does not meet the applicants' requirements, though, and my information is that the employee was offered, on employment a year ago, the housing unit, and refused that unit. He did not want to take the offer of staff housing up at that time and was advised that, upon adequate notice, it would be available at some future time; if adequate notice was given. At the moment, there is only one five-bedroom home available and it is a single person; so it is not great, but it is the only unit that is available. The corporation is looking at the problem of staff housing and staff housing mixes in Faro at this time.

Another think I would like to point out is that the board is also looking at public housing there, because it came up at a public meeting in Faro over the weekend, which the member opposite was at. They will be reducing the staff units in Faro by two trailer units. They will be disposing of them and then looking at replacing them and at the same time looking to see if the City of Faro will be wanting those other type units in place.

**Mr. Byblow:** I appreciate the minister's answer but I hope he is not saying that the teacher should be expected to pay \$800 for a five-bedroom house. Because the situation in Faro is one over which at least one teacher has been driven to resignation and we

have the threats of at least two more considering that option, I want to ask the minister when is he going to put in place the programs to meet these needs that are being identified now, and on an immediate basis?

**Hon. Mr. Ashley:** As I just advised, the board is looking at this. It is the Yukon Housing Corporation board of director's responsibility. They are aware of it and they are looking into it.

**Question re: Alcoholism treatment**

**Mr. Kimmerly:** To the Minister of Health: has the minister consulted with the members or directors of the Ibex Society in order to coordinate their efforts in alcoholism treatment?

**Hon. Mr. Philipson:** Yes, I have.

**Mr. Kimmerly:** Are the efforts of the society going to be coordinated with the minister's programs, and in what way?

**Hon. Mr. Philipson:** That is still under discussion.

**Mr. Kimmerly:** I would ask the Minister of Justice about the same issue.

Has the minister consulted with the Mayor of Whitehorse concerning the use of the *Liquor Act*, specifically section 84(2), in order to facilitate alcoholism treatment at the Ibex Centre?

**Hon. Mr. Ashley:** No, I have not, but it would be more the responsibility of health and human resources.

**Question re: Revenue Canada liens**

**Mr. Porter:** To the government leader, in reference to my previous questions: the funds reportedly owed to Revenue Canada are owed by the Teslin Slashing Company, not the Teslin Indian Band, a separate legal entity. In view of this legal fact, why did the Yukon government proceed to release compensation dollars owed to the Teslin Indian Band to Revenue Canada?

**Hon. Mr. Pearson:** I cannot let the question lie that way. We did not seek to release it to the Government of Canada. The Government of Canada seized that money and the fact of the matter is that they had legal grounds to do it. It does not matter what they call the companies, the bands or anything else, that money was seized, legally, by the federal government.

**Mr. Porter:** At the time of seizure of these funds, by the federal government, did the Yukon government obtain a legal opinion on the issue?

**Hon. Mr. Pearson:** That money was paid by the Department of Finance and I am confident that it would not have done so without knowing that what it was doing was very legal.

**Mr. Porter:** At the time of the seizure of the funds, did the Government of Yukon immediately consult with and convey this information to the Teslin Indian band?

**Hon. Mr. Pearson:** I am sorry, I cannot answer that question, because I do not know what the member means by "immediately".

**Question re: McLaughlin Report on Victims of Crime**

**Mrs. Joe:** I have a question for the Minister of Justice.

In October of last year, the minister indicated to this House that his in-House steering committee was studying the McLaughlin Report on Victims of Crime. Can the minister tell us what the present status is of that study?

**Hon. Mr. Ashley:** There is an interdepartmental committee looking at the study of victims of crime. I have not received a report from it, as yet.

**Mrs. Joe:** Since the federal government has announced specific measures they would take to improve and increase services to victims of crime in Canada, can I ask the minister if his department will use some of these services that are available to Yukon?

**Hon. Mr. Ashley:** It may or may not fall in justice. There are a number of portfolio responsibilities: health and human resources, justice, worker's compensation. That is why the interdepartmental committee is looking at the problem. If there are things that we can use from the federal government we will certainly look at them.

**Mrs. Joe:** Can I ask the minister when we can expect a final report from his in-house steering committee on the victims of crime report?

**Hon. Mr. Ashley:** I will correct the member again, it is not the in-house steering committee that is looking at it, it is an

interdepartmental committee that was set up to look at the victims of crime report and how we can actually implement certain parts of it.

**Question re: Mayo flooding**

**Mr. McDonald:** I have a question for the Minister of Municipal and Community Affairs. The minister is certainly aware that flooding and high water tables in Mayo in the spring have produced some serious and potentially serious problems for the people in that community. One problem is the quagmire road between the LID boundary and the airport. Has the minister or the government considered raising the road bed for this particular stretch of road to alleviate the flooding problem?

**Hon. Mr. Lang:** I find myself at a disadvantage from the member opposite. If I recall correctly, I received a letter from him asking if I would be prepared to dig a ditch around the community and now, the member opposite is asking me to raise the road bed up. I find a contradiction there. Perhaps when the member has made up his mind he could put some sort of constructive idea forward that would perhaps make the problems in the community of Mayo. I should point out that we recognize that flooding is a very major problem in the community of Mayo and that is why, over the years, so much work has been done on Front Street to construct the dike that is presently there and has been raised considerably to protect against the possibility of flooding the community.

**Mr. McDonald:** This is a subject obviously that we are going to have to deal with in our estimates so that I can get my own back.

It is true that a constituent has suggested that a trench be cut behind the community to accept overflow when the river ice backs up in the river bend in front of the community. Has the government seriously considered this option?

**Hon. Mr. Lang:** In fairness to the department and me, I received a letter a number of days ago and I have asked my people to look at the correspondence that the member has brought forward to us. I do not think the member expects me to give him an answer within 48 hours. We are going to have a serious look at it and see if it is an option.

**Mr. McDonald:** The letter was sent, I believe, two weeks ago and in any case the problem exists today. Is it the view of the government that current water control measures are sufficient to meet any serious threat of flooding the community might experience?

**Hon. Mr. Lang:** We are trying to meet the needs of that community, as far as the possibility of flooding is concerned. If he is asking me for a guarantee, I do not think I am in a position to do that. I have to inform the member opposite, unfortunately, I am not God and, if there is a situation that arises that is well above the normal situation, where flooding is concerned, of course, it poses a threat to the community. That is one of the reasons we do have what is referred to as the EMO organization, for the purpose of dealing with problems such as that.

**Question re: Yukon Housing Corporation caretaker**

**Mrs. Joe:** I have a question for the minister responsible for the Yukon Housing Corporation.

Since the termination of the caretaker position at Alexander Lodge could seriously affect the special needs of those tenants living there, will the minister report back to this House, this week, his findings on the questions regarding that issue?

**Mr. Speaker:** That is almost a representation, rather than a question, but I will allow it.

**Hon. Mr. Ashley:** I have taken the question on notice and I will get back to the member, this week.

**Question re: House business**

**Mr. Penikett:** Could the minister who is playing God, today, indicate for the House whether there will be any other legislation introduced this week? This question, of course, relates to House business.

**Hon. Mr. Lang:** (Inaudible)

**Mr. Speaker:** We will now proceed to 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 shall call the Committee of the Whole to order.

We shall recess until 2:20 and, when we return, we will go on with Bill No. 12, *Second Appropriation Act, 1984-85*, and continue with general debate.

*Recess*

**Mr. Chairman:** We are short one member for a quorum. Does everybody agree?

I will now call the Committee of the Whole to order.

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

**Hon. Mr. Pearson:** Last sitting date, the leader of the opposition in general debate asked me some question in respect to our new experiences with a fiscal agency and details of our first bond issue. I have it written out here; it is rather lengthy, and with your approbation I would ask one of the pages to give it to the leader of the opposition.

**Mr. Penikett:** I appreciate the government leader's response, but procedurally, is this a tabled document? If I were to pursue questions on it at some point, I would have to treat it like a tabled document, otherwise I cannot quote from it as other members would not know what I was talking about.

**Hon. Mr. Pearson:** I have absolutely no objection at all.

**Mr. Penikett:** Then perhaps we could have a version of it tabled so that if we do pursue it later people will know what we are referring to?

One general subject area under the question of government revenues and expenditures that I wanted to put to the government leader concerned an issue we have talked about in brief debates several times before, and that is the question of liquor revenues. I did not anticipate having a very long debate today. I wonder if I could just ask the government leader if he could clarify, in a general way, some of the statements that have been made about this issue in the past.

On at least two occasions of public record that I can recall, I have seen the government leader refer to liquor revenues as a very important source of income for the government. On a number of other occasions, members of this House have tried to speculate about what the social costs and costs to the treasury are regarding the consequences of alcohol abuse. There has been no accurate estimate yet; there have been various estimates about the implications for health, justice, costs, lost time, et cetera. The government leader has responded to those saying that this government would have to pay these costs anyway, therefore, an equation or a comparison between revenues and expenditures in this field is not useful. I hope I am not misrepresenting his view on that subject.

Recently there has been some public discussion in this country about the possibility of liquor taxation having a negative impact on the appeal of this nation as a tourist destination.

A number of industry groups have gone so far as to suggest that Canada is pricing itself out of the market because the cost of alcohol is so high in this country. When we have discussed the issue in Question Period, the government leader has argued that it is the federal tax that is the largest cause of that high price for alcohol. At the same time, we have come back and pointed out that there is the YTG markup, the Liquor Corporation and then you add our tax on top of that.

I say all this by way of a preamble, only to make what I hope is a

serious point, that it seems to me there is still some room for, if you like, not a partisan debate but some kind of objective consideration about the costs of benefits of the government being a whiskey trader. I am not, for a second, proposing, at this moment, that the sale of alcohol be privatized or decentralized in a way that would diminish our control of the business, because I think there are some less than salutary experiences in other parts of the country over that practice. Would the government leader comment, in a general way, about how he sees the pros and cons of the cost benefits of being in the liquor business?

<sup>16</sup> I ask if he would elaborate on his previous comments about the revenue being important to the government and also describe further to what extent this society and government is having to pick up some of the costs that result from alcohol abuse, such as the ones I mentioned: lost time, the enormous justice system costs, jail costs, health costs, and so forth.

**Hon. Mr. Pearson:** In respect to the importance of liquor revenues, I respectfully refer the leader of the opposition to page 5 of the budget presentation which shows the revenue summary. It is quite clear. We anticipate in 1984-85 fiscal year to accrue some \$15,207,000 in income taxes. The next highest source of revenue to this government in the year will be liquor income, and that is all liquor income; that totals \$6,046,000. It is the second highest revenue producer of all of the various taxes that we can and are imposing at this point in time.

In respect to cost benefit, I still feel the same way that I did the last time that this question was asked of me. I still have to be convinced that it would be worthwhile to spend taxpayers money to try and determine anything different. I believe that no matter who is selling the liquor, and it does not matter who is selling it, liquor is going to be sold. I do not think the leader of the opposition is advocating prohibition any more than the member for Whitehorse South Centre is.

<sup>17</sup> The fact of the matter is that as long as there is liquor going to be sold — and liquor is always going to be sold — there are going to be costs associated with it. It is very difficult to identify all of those costs and, to do a cost benefit study would be, I think, prohibitively expensive and it would be something that I do not believe is going to really prove anything very conclusive for us.

**Mr. Penikett:** I thank the government leader for his response.

I would only want to comment, in reference to page 5, that the liquor revenue there is what I guess our merchant friends would call gross revenue, because it is not a net profit of any kind. Because we do not know what the costs are associated with it, there is no sense in which we can really, with absolute accuracy, say how much of that is a profit for the government or, in fact, a net revenue.

Let me leave that aside — other members may want to get back to that — and ask a couple of questions about the income tax, if I could, which is the large item referred to the government. Could the government leader just briefly review, for the committee our situation with respect to the territorial income tax? Are we still under any obligations that prohibit us from making major changes in it?

<sup>18</sup> Does the government leader contemplate any changes in that portion of the income tax which is territorial income tax? I am not talking about asking to anticipate future budgets about the level of the tax, but whether there is anything, given the government's experience now which goes back a few years, that would want them to change the present arrangement?

**Hon. Mr. Pearson:** There is no change anticipated this year, because it would have been necessary for the announcement to have been made in the budget speech. We are free to increase our locally raised revenue by increasing the number of points of income tax that we will charge locally in the territory. It was felt that this year we should not do that. We did not believe that we needed the revenue. Also, just because of the economic situation, we felt that it was not a good time to increase any kind of taxes if we did not have to. We worked very hard to put together a budget that we could present to the House, and that would be deemed as responsible and does not reflect any extraordinary taxation increases.

We are increasing property tax in two minimal areas that were mentioned in the budget speech. The income tax; no, we have not

increased it this year. I do not foresee it being increased during the course of this year, unless something completely unforeseen happens. It would be extraordinary for us, as a government, to increase it prior to the next budget year. That just has not happened in this territory. There is nothing stopping it from happening. We have the right to increase it whenever we deem it advisable.

**Mr. Kimmerly:** On the liquor tax question — I am not going to go on and on about it — I would ask one question. I understand the position of the government about costs benefits. I do not agree, but I understand the position. I would ask if consideration is given at any time in fixing the liquor markup or the liquor taxes, because ultimately it amounts to the same dollars, concerning the price of alcohol abuse.

For example, if the minister in charge said, "we need another counsellor and it is going to cost a total \$30,000", is it possible to adjust the price of liquor to raise the \$30,000, because it would probably be a penny per bottle or less, or is that kind of a cost benefit analysis ever done?

<sup>19</sup> **Hon. Mr. Pearson:** Yes, it is done, and we have done it. When we have been looking at budgets in the spring and we have a proposal to enter into a program — normally they are social benefit programs that are directly connected to liquor — we have actually tried to put price tags on those programs and look at the relative cost of the liquor, and assess whether or not we could or should increase the taxation. I can think of, I believe, three occasions, since I have been connected with this government, when we have increased the cost of liquor for that very reason.

#### *On Yukon Legislative Assembly*

**Mr. Chairman:** There being no more general debate, we shall go to Yukon Legislative Assembly and open that up for general debate.

**Hon. Mr. Pearson:** We have had a bit of a change in the Legislative Assembly. The Clerk was hopeful of getting me some notes; however, I guess he did not get them to me. I think he felt that all members are thoroughly cognizant of what transpires in this particular department.

The changes have amounted, to some degree, in respect to the *Elections Act* administration. The changes that we made to the act — and I advised the House of it, at the time — are going to necessitate some additional expenditure, during the course of this year, just to get things ready, given that there may be a byelection.

**Mr. Kimmerly:** Considering the bill about the Electoral Boundaries Commission, is there any consideration or identification of funds in the budget for that particular bill?

**Hon. Mr. Pearson:** No, there are no funds identified in the budget, now. However, it may well be that there would be lapsing funds, with respect to the elections administration and that money would be used. Also, of course, I anticipate that there will have to be a supplementary estimate to pay for the cost of the board.

**Mr. McDonald:** Could the government leader just tell us if the proposed increase in elections administration, for one, represents the increase of a person-year?

**Hon. Mr. Pearson:** No, there is no change in the number of people working in the department. There is no change anticipated during the course of this year.

**Mr. McDonald:** My understanding of the office in which most of us work is that there are five persons, including the Clerk. There is also the administrator of elections, who we see around occasionally. Is that considered to be a casual person-year or a full person-year?

**Hon. Mr. Pearson:** No, it is a contract position. That is a contract position.

<sup>20</sup> It is only used when we have work, identifiable work, for that particular person.

**Mr. McDonald:** This brings us back to the issue that I raised on Thursday, regarding a person-year establishment and being able to understand and identify how many persons there are in any particular department. As I said on Thursday, in the person-year establishment there was at one time a designation of continuing person-years and casual person-years. I am wondering if the government leader's general statement could explain why we have

given up delineating the number of casualls?

**Hon. Mr. Pearson:** If the hon. member will cast his mind back to about a year ago — it might have been a little before this — I rose in Committee one day and talked about casualls at length. I had just been advised of a very unsavoury position that we as a government were in, in the way that casualls were being treated in this government. We had a legislative requirement to put casualls on the permanent payroll if they had worked for us for a specific length of time. There was a loophole, and it was being used to a large degree; we just did not realize to how large a degree.

Once all of this information was gathered, we made a policy decision that we would look at the casualls and we would lay off casualls we did not need any longer. We would put on permanent staff those casualls who should have been permanent. We have done that now. That puts us into a position now where we do not have casualls, per se, until the construction season or until a specific time of the year in a specific department. There are two or three departments: renewable resources, highways, the major two, and education uses some casualls in the summer time in respect to maintenance, and so on. Those three departments are the three departments that do use a large number of casualls.

It is just about impossible to guess how many they are going to need, depending upon the kind of programs that we can get going. In respect to contract positions — the elections officer is one exception — the contract positions that we have in this government are the result of contracts that we enter into with the federal government. We hire people to work on those contracts on a specific length of time. It might be as much as two years, or it could be only two or three months, but normally those people are contract positions. Once again, until we get into a program we really do not know how many we are going to have. It is virtually impossible to reflect them all in the budget.

**Mr. McDonald:** I thank the government leader for his answer. I think I understand the difficulties that the government and the public service commission have been facing over the past little while. In the estimates throughout I have not been able to detect any department, anywhere, that delineates the number of anticipated casualls.

<sup>21</sup> So, perhaps, when the appropriate department comes before us, we can deal with that, at that time.

If you look to allotment, there is a rather large increase, in general, under personnel, in the line item "Other". There is a rather large increase of 80 percent. Would the government leader explain briefly just what that would be?

**Hon. Mr. Pearson:** If the member looks at the program, page 12, what transpires is that under allotments those are the same dollars, again. It is just now broken down between personnel and others. Of course, the "other", with respect to the increase, is primarily in elections, because, in spite of the fact that that money is going to be spent on personnel, it is a contract position and, as a consequence, it does not fall under personnel, it falls under "Other".

Also, as members will recall, there was a recommendation from the Member Services Board that the travel to constituencies by the out-of-town members be doubled, I believe. In other words, you were entitled to 12 trips a year, last year, and you were entitled to 24 trips, this year. That has caused a slight increase, as well.

**Mr. McDonald:** I appreciate the explanation by the government leader. Certainly, travel allowances for rural MLAs have increased twofold; not only the number of trips, but the expense allowance, as well.

The government leader drew attention to the increase and costs associated with the new *Elections Ordinance*. In the program above "Allotments - Elections Administration", we see an increase of 567 percent, which translates into only \$51,000,000. The increase in allotments, however, increases almost \$130,000, and that certainly could not be explained away, on the face of it, by the elections administration, which is delineated clearly above and by the less significant increase in transportation allowances for rural MLAs.

<sup>22</sup> **Hon. Mr. Pearson:** The two numbers balance. I cannot see what the member is getting at. The expenditures in the three

programs total \$1,241,000 and the allotments total \$1,241,000. It seems to be relatively clear to me, where the additional money is. It is in the Yukon Legislative Assembly and in Elections Administration.

*On Legislative Assembly*

*Legislative Assembly in the amount of \$875,000 agreed to*

*On Legislative Committees*

*Legislative Committees in the amount of \$24,000 agreed to*

*On Commonwealth Parliamentary Association*

*Commonwealth Parliamentary Association in the amount of \$20,000 agreed to*

*Yukon Legislative Assembly in the amount of \$919,000 agreed to*

*On Clerk of the Assembly*

*On Clerk's Office*

*Clerk's Office in the amount of \$262,000 agreed to*

*Clerk of the Assembly in the amount of \$262,000 agreed to*

*On Elections Administration*

*Elections Administration in the amount of \$60,000 agreed to*

**Yukon Legislative Assembly in the amount of \$1,241,000 agreed to**

**On Executive Council Office**

**Hon. Mr. Pearson:** I would like to say a few words, by way of introduction to this department's budget. As I am sure you are aware, the budget for this department has increased significantly over the main estimates presented last year. I am sure that the members opposite will be gratified to learn that this increase is not due to any increase in the number of order-in-council appointments attached to the Executive Council offices. In fact, no new order-in-council appointments have been added.

The major reason for the increase is a result of action taken last June to transfer responsibility for the intergovernmental relations branch, the land claims secretariate and the federal relations office to the Executive Council Office from the Department of Economic Development. Naturally, with the addition of these program components, the budget of the department shows a significant increase.

The reorganization was undertaken for a number of reasons, but was primarily made to ensure that those agencies, providing a central and essential services to this government, were located in one department. We feel that the change has been very beneficial and has resulted in a clearer definition of purpose for the officials affected by the move. The reorganization has strengthened the mandate and expanded the responsibilities of the Executive Council Office while, at the same time, has allowed the Department of Economic Development to concentrate more of its energy and attention on its principle task of addressing our economic recovery.

Allow me to say a few brief words about the responsibilities of each of the programs or components of this department. I will keep my comments brief, as I am sure the members opposite will give me ample opportunity to elaborate as we proceed through the line items.

<sup>23</sup> The Executive Council Office currently has responsibility for Cabinet support, the Commissioner's Office, Administration, the Land Claims Secretariat, Federal and Intergovernmental Relations, Internal Audit, and the Public Affairs Bureau.

The Cabinet support functions of the department include administering all ministerial expenditures and providing other services, as required. The assistance to ministers and other order-in-council appointments are paid out of this program.

The Administration program is responsible for a great many tasks associated with all the various boards and committees of this government. The Executive Council Office provides secretarial services to all such boards and committees, including the Cabinet Management Board. The individuals in this office are responsible for ensuring that all requests for Cabinet and Management Board decisions are properly routed, distributed, discussed and actioned.

With the addition of Intergovernmental Relations program, the Executive Council Office was also finally able to incorporate a



policy analysis function. Staff of the Executive Council Office conducts in-depth analysis of all policy submissions in order to ensure that Cabinet is considering the best possible submissions; that all concerns raised by others in the review of the proposals have been addressed; and that the proposal is consistent with the overall goals and objectives of this government.

The Administration program also carries out research on a wide variety of issues and ensures that all financial matters are handled efficiently. This program is also responsible for coordinating our McDonald Royal Commission work and will be responsible for preparing this government's response to the commission's preliminary report. The Executive Council Office also has the administrative responsibility for the Commissioner's Office and provides protocol and some research support, as required.

The Internal Audit branch is an extremely important branch of this department, in that it provides a central, independent audit service for the entire government. It regularly audits government departments, reviews cost-shared agreements and performs special added functions, as required. It is being used more and more by departments in the normal course of their work and, as a result, we have found it necessary to increase the establishment of this branch by one permanent and one casual auditor.

The Public Affairs Bureau also performs a critical role for this government. It is responsible for all public information programs, for production of special publications, for advising on the most effective ways of communicating government decisions to the public, for providing a central photographic service to all departments and for maintaining an extensive photo file and for operating the Central Inquiry Desk.

The federal and Intergovernment Relations branch continues to carry out an incredibly broad range of tasks. While attached to economic development, officers of this branch were responsible for coordinating all of our Beaufort Sea activities. They were eminently successful in this regard, as the employment and business participation figures show. Their efforts of ensuring that Yukon became an active partner in Beaufort development had succeeded so well that, by June of 1983, it was considered time to allow program departments to play a more independent role in Beaufort affairs. As a result, when intergovernmental relations was transferred to the executive council office it relinquished its Beaufort coordination function and transferred one official to economic development in order to provide continuity in relations with Beaufort proponents.

Upon the transfer the branch became much more active in the policy analysis and intergovernmental relations areas and is currently working very hard to expand our capabilities in both those areas.

Officials of the branch are also responsible for assisting in the development of, or for negotiating, intergovernmental agreements, for assisting with interdepartmental coordination on issues affecting more than one department, for protocol services, for conducting special projects, and for recommending policy in many areas. Officials of the branch also represent the government of Yukon on numerous intergovernmental committees.

The federal relations office, now a component of intergovernmental relations, continues to be of significant value to this government. The associate deputy minister responsible for our Ottawa office has attended a great number of important meetings on our behalf that we would not have been able to attend. As well, his knowledge of the federal bureaucracy and the breadth of his contacts have opened many doors that have hitherto been closed to us.

The existence of the office has provided numerous government officials and ministers with meeting and communication facilities that were not available to us before the office was opened. The addition to the office of a financial liaison officer under the Department of Finance has further improved the effectiveness of this operation.

The land claims secretariate, as you are aware, was extremely busy over the past year and was in no small way responsible for the preparation of a Yukon Indian land claim agreement-in-principle that is fair to all.

Much remains to be done on this claim before the final agreement

is signed. In anticipation of that agreement the secretariate has begun moving into an implementation phase. While the secretariate has been most concerned with the CYI and the COPE claims, they have put considerable effort into our work on constitutional issues affecting this government. As well, they have been involved in negotiations respecting the Porcupine caribou agreement and participated in discussions and research on North Slope issues.

The executive council office has become, over the past year, one of the most significant departments of this government. It provides central services critical to the operation of government and is, at the same time, a key player in addressing many of the most significant issues facing Yukon today.

**Mr. McDonald:** Perhaps we could start with just a couple of brief questions. Can the government leader identify where the Ottawa office is?

**Hon. Mr. Pearson:** The Ottawa office is - if I am hesitating, it is because I am not sure whether the move has been made yet, as it was on the 10th floor of the Inn of the Provinces office tower in Ottawa — moving down to the 7th floor. We are in the process of moving at the present time. I believe it was supposed to happen on the 1st of April or some time shortly after.

**Mr. McDonald:** Short questions can often be misleading. Perhaps I can rephrase the question. I am happy to hear the exact location of the office.

<sup>25</sup> Could the government leader tell us where the Ottawa office is amongst the line items in the budget?

**Hon. Mr. Pearson:** If the member looks on page 18 and 19, it is part of the federal and intergovernmental relations branch.

**Mr. McDonald:** Perhaps we could get a breakdown of that when we actually get to the line item on page 25, which does not really mention it; especially there. The government leader talked about a half person-year as a casual in the audit department. Can he identify whether there are any other casual person-years in this department?

**Mr. Pearson:** Could the member repeat his question. I did not hear what he said.

**Mr. McDonald:** The government leader mentioned the fact that there was a half person-year as a casual in the audit department. Could he identify whether there are any other casual person-years in this department and where they might be?

**Hon. Mr. Pearson:** We anticipate that there will be half year casual, with respect to audit, just because of our workload this year. I also believe that it will be necessary for us to hire a casual in the public affairs bureau for a period of time during the course of this year, primarily because of the land claims. We anticipate that there will be a fair amount of work done over the course of this year in respect to land claims implementation. That, very likely, will require additional help in the public affairs bureau.

**Mr. McDonald:** The government leader made it clear that there were persons in various departments, within this department, who do a considerable amount of travel for the government; we could presume, for a very good reason. Could the government leader provide us with a breakdown of what portion of the department's budget actually represents the amount of travel that employees have performed for the government?

**Hon. Mr. Pearson:** It will take me a few minutes, but certainly I can break it down and I will do that. If you would like to go on, I am sure that I can be breaking out the travel costs over the course of the afternoon.

**Mr. McDonald:** I will not ask the government leader any taxing questions while he performs this task. Perhaps, while we are dealing with travel, the minister could explain a policy question, which has always been a bit of a puzzle to me. When we generally speak to the public of travel expenses, we speak about the per diem rate; we speak about the actual cost of the travel, in terms of air fares, et cetera. We seldom talk about hotel rates.

<sup>26</sup> It is my understanding that there is no policy to cap the amount that can be claimed for hotel rates; certainly, none that I am familiar with. Perhaps the government leader could explain that?

**Hon. Mr. Pearson:** Yes, there is; the policy is that employees use approved hotels. There is a federal government list of hotels across Canada that have made an arrangement with the federal

government and, coincidentally, with all provincial governments, including the two territorial governments, as well, with respect to the rates that they will charge for government employees when they are in those hotels on government business.

There, normally, are four or five hotels in the major centres — when I say major centres I mean Vancouver, Edmonton, Regina, and so on, across Canada, Winnipeg, Ottawa; there are quite a number in Ottawa — but those hotels all have a published rate, published in a directory that the federal government puts out to all the other governments.

Employees must identify themselves. Every employee has a specific card to do that. Normally, it is not all that necessary, simply because the reservations are made for them, on behalf of this government, prior to them leaving, but they are required to stay at those hotels. Now, they can, if they desire, stay at another hotel, one that is not approved, and pay the difference between the published rate and that higher rate.

I guess why hotel bills are not specifically mentioned in the policy, as an identifiable item, is because the policy is that we pay the hotel bill; we pay that bill on receipt. In other words, the employee brings back a receipt and gets paid for the accommodation portion of the hotel bill.

**Mr. McDonald:** Does this capping of hotel bills for government employees also apply to MLAs and ministers?

**Hon. Mr. Pearson:** Yes, it does.

**Mr. McDonald:** Is there such a plan for hotel accommodation in Whitehorse? My understanding is that MLAs, who are staying in Whitehorse in hotels, are permitted to stay at any hotel they wish and to be reimbursed for the same. Are there any policy guidelines, which the government leader knows of, that could prevent that from happening?

**Hon. Mr. Pearson:** Yes, we could write a policy to prevent it from happening. The policy has been, in the territory, that employees have been allowed to stay at whatever hotel they found it necessary to stay at. They could take their choice if they were in a community where there was more than one hotel.

The reason for this, I guess, is primarily because in Yukon, being as small as it is, it becomes very difficult to write a policy saying that all employees shall stay at one specific hotel. It is possible that we could ask government services to attempt to negotiate a government rate with all of the hotels in the territory and then this government would be in a position to take advantage of that. It may be a very valid suggestion; one, I am sure, that the Minister of Government Services would be happy to follow up on.

**Mr. McDonald:** I am sure the Minister of Government Services would be. I am wondering if the government leader could explain, for my benefit, the policy of travelling from Yukon to points in Canada or travelling within Yukon. Is the policy that employees, MLAs or Cabinet members should travel the shortest and fastest route possible?

**Hon. Mr. Pearson:** Yes, we have an employee in this government who is a travel expert. That is what that employee was trained as; as a travel agent, or travel consultant, or travel counsellor. All travel arrangements by anyone travelling on behalf of this government must be made through that person who is an expert at making sure that we get the best possible value for our dollar in respect to travel expenses.

**Mr. McDonald:** The government leader was good enough to provide the answer to a question by Mr. Kimmerly, dated March 28th, regarding travel by Cabinet ministers during the previous year. I will not ask questions about the specific trips, but there are a couple of policy questions that immediately come to mind when reviewing the travel itineraries of ministers over the past year. One is that, for one minister who represents a rural riding, there are a significant number of trips to the minister's constituency — I believe 11 — as a minister. I am wondering if the government leader could explain the travel policy for the rural members who happen to be Cabinet ministers travelling back to their constituency?

**Hon. Mr. Pearson:** The Cabinet ministers who do not live in Whitehorse are entitled to the same travel benefits as a rural member who is not a Cabinet minister, from vote 1, from the

Legislative Assembly vote. Those Cabinet ministers are also required to travel on behalf of the government as Cabinet ministers. Each of them tries to assess, when they are going on a specific trip, whether the primary reason for being on that trip is as an MLA or as a Cabinet minister.

**Mr. McDonald:** The member you are referring to must be the member for Dawson City. When he is going to Dawson City he must determine from what he is going to do or what he hopes to accomplish while he is there, whether it is on government business as a minister, or whether it is on government business as an MLA. Sometimes it is very difficult to do. Given his particular portfolio responsibilities, and some of the issues that arose during the course of this past year in his home community, I think probably he has done a fairly credible job of making sure that he has split up those claims in an equitable manner.

**Mr. McDonald:** Just one question before we get more involved with this. Is it the policy for ministers to take advantage of the travel allowance under vote 1, that they own property or have a house in the riding for which they are elected?

**Hon. Mr. Pearson:** No. I have a rule that any member of my Cabinet must live in the capital. I insist that they live in the capital. That is my own personal rule.

**Mr. McDonald:** There is one MLA who, on this side of the House, does not own property in the riding and, therefore, is not entitled to travel under vote 1. We have already voted vote 1, but I just mention that discrepancy.

As we are going to be dealing with this for a couple of minutes, perhaps the member for Dawson could allow us to indulge in a discussion of this at his expense, so to speak, where we can use him as an example. The minister traveled to Dawson City 11 times to go to a variety of functions including functions such as the YVA annual general meeting and functions, meeting with placer miners, placer mining tour, and meetings designated as community meetings on the list. Recognizing that the minister is the Minister of Justice, Yukon housing corporation, Yukon liquor corporation, and worker's compensation board, I seem to be having some problem recognizing some of these trips allowed and paid for under this vote back to his riding that have nothing to do with his portfolios.

**Mr. McDonald:** I am wondering if the minister could just explain how he would reconcile that?

**Hon. Mr. Pearson:** Once again, as I indicated, the minister responsible can claim his trips in either place. I wonder whether the member asking the questions has found out how many trips back to Dawson the minister happened to claim under Vote 1, during the course of the year. I would respectfully suggest he did not claim the maximum. I do not know. I have not checked. I am just guessing, because, feeling that in going to Dawson he was there more so as a minister than he was an MLA.

**Mr. McDonald:** If the member for Klondike returns to his riding for ministerial business, then I think that that is quite necessary. If it is legitimate ministerial business, then I, certainly, have no problem and I do not know of anybody else on this side or anybody on that side who has a problem with that. However, where there is a question of travelling as a rural MLA to a rural riding for rural MLA business, then I think that we should — both the minister and I and other rural members who face the same conditions of employment, as MLAs — be treated the same. Now, there are times here, of course, when the minister is travelling to Dawson for a good reason.

There is an incident here, for example, where he goes to a meeting regarding a Yukon Housing fourplex; that, obviously, is a case where the minister must travel to his riding to deal with ministerial business. I hope that, when incidents such as that particular trip occur in other communities, that he would be travelling to those communities, as well, for similar reasons. We would hope that he is not adhering to his ministerial responsibilities only when he is in his own home riding. I am sure that is not the case, and that is not a representation, that is merely a statement.

There are, however, cases where the minister is travelling to his riding to discuss placer mining hearings, for example. Now, I recognize the minister has a special interest in the placer mining industry. He has as much of an interest in the placer mining

industry, I would suggest, as do I. However, I am not entitled to a ministerial expense allowance, plus travel trips under a different vote, in order to adhere to my constituency responsibilities.

I still feel, to a certain extent, that there may be some discrepancies here, between what is legitimate travel to a member's riding and what legitimately constitutes ministerial travel. Perhaps the government leader could just expand upon that before I deal with any other related issue.

<sup>30</sup> **Hon. Mr. Pearson:** That is strictly a matter of opinion. I think what the member opposite is saying is that he feels that MLAs should be entitled to \$60 a day like ministers are. If that is what he is saying, then let us talk about it. If he would like to talk about that then by all means, I am happy to talk about it.

**Mr. McDonald:** When the government leader suggests such a thing, three heads in the front rows of the opposition caucus cranked around at super speed.

I am not suggesting that all MLAs should be entitled to the ministerial expense allowance. There has been some question in the past as to whether or not we feel the ministerial expense allowance is legitimate in any case. That is not the issue with which we are dealing.

What I am suggesting is that there is the opportunity for a minister to travel using the ministerial expense allowance and to travel and use vote 2 expenses to facilitate what might be considered as constituency business. I hope the minister does not feel persecuted by this questioning. This particular minister has travelled to Dawson to attend YVA hearings, placer mining hearings, something called community meetings, a number of community meetings, which do not, according to our information, have anything to do with his ministerial portfolio responsibilities.

I am anxious to know why the minister would be given that kind of leeway to use second vote funding. There are a number of areas in my riding that could be considered very important activities for a rural MLA in my riding. I, too, attended placer mining hearings, and I have had a number of community meetings. There are a number of things that I do in my riding which are legitimately considered to be rural MLA responsibilities. The minister says so does he, and he does. He has 24 trips under vote 1 in which to do that.

Here, we see that the minister is permitted vote 2 funding and a ministerial expense allowance. That seems to me to be somewhat unfair from a rural MLA's point of view. It is not unfair because we are not entitled to the \$60 a day. It is unfair because the minister has been entitled to more trips to perform constituency business than have other rural MLAs.

**Hon. Mr. Pearson:** Mr. Chairman, I am sorry for the facetious remark. I should not have said it but I am glad I did. I hear what the member is saying and I will raise this with the member for Dawson and see what we can do to make sure that that feeling of unfairness does not arise again.

I have felt that the member has been as honest and as fair as he possibly could have been, with respect to these claims. I have had absolutely no reason, at all, to question to them. I am sure that the member for Mayo is not questioning the validity of the claims, at all. I recognize what he is saying and understand what he is saying and will undertake to try and alleviate that situation.

**Mr. McDonald:** Yes, I want to reiterate, too, that I am not intending to persecute the member for Klondike. There are, equally, some questions as to the member for Tatchun's travel: *Children's Act* meetings, Arctic Winter Games, placer mining meetings, which one could conceivably wonder about.

I wonder if the government leader, as a sort of statement of general policy, could explain whether or not there is any policy regarding the amount of travel that ministers can perform? There is a considerable discrepancy between the various ministers, as to their travel over the past year, for example. The member for Klondike, for example, again, travelled a total of 81 days and the member responsible for tourism travelled only 30 days, which is a considerable difference. I wonder if the government leader could elaborate on any policy that they might have regarding the amount of travel?

**Hon. Mr. Pearson:** Yes, the policy is that the ministers travel

as little as possible, and that is the policy. Now, the member has to recognize that this travelling is not all fun and games; it is an awful lot of work, and most ministers would much rather stay home than travel. It is part of our job. We must do it. We have responsibilities to other people in Canada, besides the people in this territory, and travel is very necessary.

Speaking of which, the member for Mayo asked whether I could give him a breakdown of the travel in the Executive Council Office. Of the \$2,911,000, some \$230,300 is for travel. If he wishes, I will read them off slowly and he can maybe jot them down. For myself, there is \$32,000; for each of the other ministers there is \$10,000; Cabinet tours, \$20,000; Commissioner's Office, \$11,500. Then we get to the program portions of the department: the Administration section, \$11,000; the Internal Auditor, \$10,440; Land Claims, \$77,300; Intergovernmental Relations, \$28,463; and Public Affairs, \$32,660; in total, about \$250,000.

<sup>32</sup> **Mr. Chairman:** If there is no more general debate, we will go to page 20 and open up a general debate on Cabinet support.

#### *On Cabinet Support*

**Mr. McDonald:** Can the government leader explain the sharp decrease in "other", under allotments?

**Hon. Mr. Pearson:** Once again, I will have to go back to my statement.

I made it clear, in my statement, what we did in respect to transfers amongst people in this department over the course of this year. Hopefully, the member is not asking me to go through all of that again.

Once again, if the member goes back to page 18 and looks at the totals of the vote — \$2,911,000 — \$1,900,000 of that is personnel costs. The remainder, of course, is "other" under allotments. It is broken down that way. To break down each specific issue, well, I do not have the necessary material here to do that. I did not anticipate that kind of question, actually.

*Cabinet Support in the amount of \$661,000 agreed to*

#### *On Office of the Commissioner*

*Office of the Commissioner in the amount of \$94,000 agreed to*

#### *On Executive Council Office*

*Executive Council Office in the amount of \$571,000 agreed to*

#### *On Internal Audit*

**Mr. McDonald:** The government leader mentioned that this department would have one more casual this year. This vote also reflects an increase of one person-year. Is that one person-year plus one casual-year this department will be facing as an increase?

**Hon. Mr. Pearson:** This branch will have an increase of one person-year, permanent person-year, in the personage of an auditor. We anticipate one casual auditor for one-half a year.

*Internal Audit in the amount of \$236,000 agreed to*

#### *On Land Claims Secretariat*

**Mr. Kimmerly:** Before it clears, there may be a public perception — I have heard it — that the monies for land claims should now dry up. I am aware that that is not a reasonable expectation and a word of explanation is maybe appropriate about that.

<sup>33</sup> **Hon. Mr. Pearson:** I appreciate the question because it gives me a chance to say a little bit about it. We anticipate that we will have a reduction in our land claims secretariat, as is reflected, but that is primarily with respect to actual negotiations. For instance, the COPE agreement, for all intents and purposes, is now signed. We will not have very much implementation work to do with respect to that agreement: virtually none.

We had a negotiator on contract. His contract is not being renewed. However, when it comes to the Yukon land claims, that is quite different. We remain confident that we are going to have an agreement-in-principle — I believe that we are. We attain that agreement in the next month or two; that is signed. Then, work has to begin as quickly and expeditiously as possible toward the final agreement, because that is the goal of everyone. That is going to

require a considerable amount of work.

The Yukon land claim is so comprehensive, it is going to take a tremendous amount of implementation work. I anticipate that at least two of the people working in the land claims secretariat now will be actively engaged for the next number of years, if they choose to stay in those jobs, implementing the land claims agreement. The functions will change but it is still a long way from being over. The funds are a long way from drying up on this one.

**Mr. Kimmerly:** In the past, we were promised an opportunity to debate the land claims agreement here, at an appropriate stage. Would the government leader predict at what stage he thinks the debate might occur?

**Hon. Mr. Pearson:** The Council for Yukon Indians and the government of Canada have agreed that upon ratification of the agreement-in-principle it would be a proper time for all of the agreements to become public knowledge, but they feel very strongly that until such time as there is ratification by the Council for Yukon Indians and the member bands and the Government of Canada, they should remain confidential documents.

**Mr. Kimmerly:** I am aware, and I believe it is public knowledge, that the final agreement encompassing all of the sub-agreements will be a very large document, a large book, in fact. I would make a representation that a committee stage of discussion of that may be appropriate in this legislature.

**Hon. Mr. Pearson:** As well, maybe to facilitate discussion and general public acceptance, we are trying to put together now as best we can a composite of all of these agreements that may well be considerably shorter but still highlight all of the points. I do not think that will preclude people with the learning interest like the member for Whitehorse South Centre has exhibited over the years from reading every single word of this multitude of documents that have been negotiated over the past number of years.

**Mr. McDonald:** I have a more mundane question about this department. Can the government leader explain how we can increase the department by one person-year at a cost of only \$6,000?

**Hon. Mr. Pearson:** We have an awful lot of people who work in this department a lot of the time, on secondment, on contract and as casuals. This reflects our establishment at this particular point and we have come up with costs to what we consider to be the best of our ability. It is very difficult in a branch where you have such large fluctuations during the course of the year to come up with straight comparisons.

**Mr. McDonald:** We will get back to it later on when the experience of the department has been proven. Can the government leader say if there are any casuals or contract persons currently in the department?

**Hon. Mr. Pearson:** Currently, at this time, no, none.  
*Land Claims Secretariat in the amount of \$518,000 agreed to*

#### *On Federal and Intergovernmental Relations*

**Mr. Penikett:** I wonder if I could slip in a question here which, I will be perfectly frank, I am trying to bootleg. It really has to do as much with the Office of the Commissioner as it does with the intergovernmental affairs.

Some weeks ago the government leader will recall I asked him a sort of philosophical question about the formal relationships between his office and the Commissioner's office. My question arose from reading a series of articles in the *Globe and Mail* about the relationship between the Prime Minister's office and the Governor General's office in Ottawa and about how business is conducted between the various Lieutenants-Governor and the premiers in the provinces. Could the government leader, because he was not able to give me any kind of detailed response at the time, indicate at this point anything about, since it is in the way of intergovernmental relations, the way this government deals with the Commissioner's office. Does the Commissioner, as the sort of "in name" Chief Executive Officer, or whatever he is, get Cabinet documents? How does that work? How does that function?

**Hon. Mr. Pearson:** No, he does not get Cabinet documents, but he gets all of the decisions of Cabinet and all of the decisions of management board. We have a very close working relationship with

him, particularly out of the department of the Executive Council office.

His functions, territorially, primarily are as an ambassador, and he does a very good job of it. He does a lot of travelling for us. He goes to a lot of functions, on behalf of the Government of Yukon. He also does a lot of travelling for the Government of Canada and it is turning into being one of his major functions for the federal government, as well. He represents the federal government at a number of official functions as the federal representative.

So, his job is very much parallel to that of a lieutenant-governor of a province and we are slowly evolving into a similar type of relationship. It does take some time and it is a matter of evolution, but it is happening that way.

**Mr. Kimmerly:** It naturally falls from the answer to ask about the kind of ambassadorial function that the government desires. I would ask, in a general way — and I would preface the remarks by saying that it is certainly my belief that the present incumbent is an excellent ambassador and is a good person for the job, but his tenure will one day end — can the government leader indicate what the process might be expected to be, in a general sense, concerning the selection of the Commissioner at this stage in our constitutional development? Considering the primarily ambassadorial function, what consideration, if it is possible to say, will be given to the sensitive areas of the bilingual capacity of the Commissioner, the genre of the Commissioner and the residency and, perhaps, cultural heritage of the Commissioner, as a matter of this government's policy?

**Hon. Mr. Pearson:** At this point in time, of course, we do not have a policy, mainly because until the *Yukon Act* is amended, the appointment is one that is made by the governor-in-council on the recommendation of the Minister of Indian Affairs and Northern Development. Depending upon the minister of the day, this government may or may not be asked for recommendations.

They may or may not ask to approve prior to the appointment, or they may just simply be told this is who it is going to be. I have known it to happen all three ways in this territory in the past. We can only speculate and hope that there will be changes made prior to the incumbent deciding that he is going to leave. His appointment is a term appointment. I believe it is up sometime during the course of this year. It does not preclude though him being reappointed again.

#### *On Intergovernmental Relations*

*Intergovernmental Relations in the amount of \$187,000 agreed to*  
*On Federal Relations*

*Federal Relations in the amount of \$150,000 agreed to*  
*Total Federal and Intergovernmental Relations in the amount of \$337,000 agreed to*

#### *On Public Affairs Bureau*

##### *On Administration*

*Administration in the amount of \$102,000 agreed to*

##### *On Information Services*

*Information Services in the amount of \$166,000 agreed to*

##### *On Photography*

**Mr. Kimmerly:** I have always been curious about the large amount for photography. What does this include every year, in a general sense?

**Hon. Mr. Pearson:** There are two full-time employees involved here. There might even be three. Certainly we can lay claim to having two of the best known, most accomplished outdoor photographers on our payroll. One has been with this government for a long time, something like 12 or 13 years. The other not quite so long. They provide a tremendous service to the public, particularly to agencies that are in the business of promoting Yukon for travel and tourism, and so on. We have an outstanding collection of photographs that can be, and are, made available to these kinds of agencies.

*Photography in the amount of \$93,000 agreed to*

##### *On Inquiry Centre*

*Inquiry Centre in the amount of \$133,000 agreed to*  
*Public Affairs Bureau in the amount of \$494,000 agreed to*

##### *On Public Inquiries*

Public Inquiries in the amount of \$1.00 agreed to

*On Plebiscites*

Plebiscites in the amount of \$1.00 agreed to

**Executive Council Office total in the amount of \$2,911,000 agreed to**

**Mr. Chairman:** At this time we shall recess until 4 o'clock and when we return we will go on to Consumer Affairs.

*Recess*

<sup>37</sup> **Mr. Chairman:** Committee will come to order.

The hon. Mr. Philipsen has asked me to announce to you that, on the weekend of the 12th, the alcohol syndrome movie will be shown in this building, almost continuously.

We will now go on to the Department of Consumer and Corporate Affairs, general debate.

*On Department of Consumer and Corporate Affairs*

**Hon. Mr. Tracey:** I would like to draw your attention to the organizational changes that have been made since the last main estimates were presented before this House.

Transport services, including motor vehicles and weigh stations, has been transferred to the Department of Highways and Transportation. The result is a considerably smaller department this year. Organizationally, the department operates under five programs. The major operating program is entitled consumer and corporate affairs. In it is contained an administrative section, consumer services, corporate affairs and labour services. Any changes in expenditures from the previous year's estimates are due to increased salaries for established positions.

About the only area containing any new initiatives lies with the labour services department. Funding has been included for a second occupational health and safety officer position this year. Expenditures associated with this position are recoverable from the Workers' Compensation Board. Also in labour services, funding has been included for implementation costs associated with a new *Employment Standards Act*. Those are the major increases in the Department of Consumer Affairs.

In the department's other major operating programs and public boards, members will note an increase over last year's main estimates.

<sup>38</sup> This is due, primarily, to increased honoraria for the expanded Employment Standards Board, which will be constituted upon proclamation of the new act.

Members will also note a large reduction in expenditures in the Whitehorse Credit Union program. The remaining property has now been disposed of and it is no longer necessary to include that level of funding. The remaining amounts relate to various minor legal expenses that may still crop up. Overall, there is very little change from the previous year.

**Mr. Kimmerly:** I recognize that, aside from the organizational matters, there is virtually no change from last year.

I would ask, in view of the departmental objectives and recent statements and appearances in the past: does the minister consider it to be part of the scope of the department to make representations to various boards concerning consumer issues? For example, the price of electricity, the price of telephones and the price of air travel: is that part of the department's mandate?

**Hon. Mr. Tracey:** Well, I think we passed a couple of acts here, already, one in transportation and one in consumer and corporate affairs, that laid out our policy fairly substantially. In fact, we have provided provision in those two acts to set policy for these departments. So, certainly, it is our opinion that we should be making a submission to them, when necessary.

<sup>39</sup> **Mr. Kimmerly:** Of course, that sets up a real question. When making submissions, is it the minister's policy to waive the various factors and elements in a decision and to come to a decision as a government and present that position to a board, or is it the position of the Minister of Consumer and Corporate Affairs that it is appropriate for the ministry to put forward the consumer point of

view at these various hearings?

**Hon. Mr. Tracey:** When we intervene at any of these boards, we are putting forward the policy or the viewpoint of the government, in that regard. If we appear before the Electrical Public Utilities Board we are putting a position, as we see it through our research, to the board. It is very seldom done by the consumer and corporate affairs department. It is usually done by the Department of Economic Development, because it has the research capability in its department, but it is the position as put forward by the government, taking into consideration the problems as we view them for the consumer.

So, I believe that I am 100 percent right in saying it is the government's position that is put forward to the board for their consideration and for them to make their recommendations under, and that includes what we perceive as the consumers' problems.

<sup>40</sup> **Mr. Kimmerly:** I am trying to determine the overall policy direction of this department. Is it the minister's view, in the deliberations that the government goes through in committee stages or Cabinet meetings or whatever, that the role of the Minister of Consumer and Corporate Affairs is to put forward the consumer point of view before the government decision-making body, or does the department or the minister advocate a balanced or a final point of view, as opposed to the consumer interest?

**Hon. Mr. Tracey:** I think the member across the floor is trying to get to the point of whether we are consumer advocates. That is not what we are. We are the Department of Consumer and Corporate Affairs. We are not consumer advocates, with regards to being before the board. As I stated earlier, we assess all of the information that comes to us and we put forward a position that we think the board should consider.

**Mr. Kimmerly:** Well, we are talking about the same issue, but in slightly different ways, of course. The branch of the department dealing with corporate affairs is, basically, a service to commercial interests and other registries of, for example, professional groups. <sup>41</sup> The consumer branch is largely informational and is not taking on the function of the consumer advocacy, although consumer information in itself has a consumer advocacy element in it. I am sure all consumers would agree. Is it the policy of the government that, in the next year, this department will not be advocating the consumer interests and will simply be a service as it was in the past?

**Hon. Mr. Tracey:** The member across the floor is trying to, I suppose, trick me into making some statement that he knows I am not prepared to make, not about what the government is doing. The consumer services department also deals with a lot more than consumer information. It deals with such things as landlords and tenants. If a complaint comes to in, it comes to the consumer side, not to the corporate side. And the department is not a consumer advocate. What the consumer and corporate affairs department does is provide as much information to the consumers as possible and, if a consumer comes to the government with a complaint, it investigates the complaint to find out whether the consumer has a means of addressing that complaint or whether the government should address that complaint, and it provides information to the people. So, it is much more than a consumer advocate department, as the member across the floor would happily say that it is or it is not. I know what he is trying to do but he is not going to accomplish it.

<sup>42</sup> **Mr. McDonald:** I would like to ask the minister a number of questions regarding labour services. First of all, we have seen the most recent initiative by the minister, tabled in the legislature a few weeks ago: the employment standards legislation. We understand that there are discussions going on between the minister's department, some labour representatives from the territory and some business representatives regarding a Yukon labour code. I wonder if the minister would give us an update as to the nature of those discussions and perhaps suggest what sort of timetable they are anticipating, as to the development of legislation?

**Hon. Mr. Tracey:** I have told the members across the floor, on more than one occasion in debate on a motion in the House, and, again, last Thursday, on that question, that we are presently working on industrial relations. We presently have a contract

lawyer, on contract to us, who is, right now, busy preparing the first draft for us to look at.

Yes, there have been meetings going with businesses and with labour representatives in the territory. I am not sure just how many more of those joint discussions will be carried on, because once we start dealing with first draft and second draft legislation, we will probably be speaking to these people more on a one-to-one basis, so that we can get at their specific problems. However, as I have stated on more than one occasion, we hope to have the industrial relations act ready for tabling this fall.

**Mr. McDonald:** The minister is obviously taking a very aggressive stance here. We did not debate anything like an industrial relations code or a Yukon labour code, last Thursday. We were discussing, I believe, occupational health and safety legislation, last Wednesday. I asked the minister to give the House an update as to the nature of negotiations, to date, and I appreciate the minister's reluctant answer.

At the same time, on one of the other major initiatives that the minister did say, last Wednesday, that they were undertaking was the development of new occupational health and safety legislation. The minister, perhaps, could tell us at what stage of drafting this legislation is currently at.

**Hon. Mr. Tracey:** Just to clarify a couple of points: number one, I announced, in March, that we were not only dealing with industrial relations, but we were trying to draft a new occupational health and safety act, both of them for this fall, if possible. I made that public. I answered questions in this House. I have stated so on more than one occasion.

The member across the floor, last week, said that it was the first time that we discussed it. It was not the first time we discussed it. The occupational health and safety legislation is a very complex piece of legislation, which is presently being worked on. I am not sure whether we will be able to have it for this fall, but we are trying to have it ready for this fall. I do not know when I will be seeing the first draft of it.

**Mr. McDonald:** Last week, for the record, we were discussing occupational health and safety legislation. We were not discussing a Yukon labour code.

Now, last week, it was suggested, during the motion in debate, that that was the first opportunity to debate the issues of occupational health and safety, in the legislature, rather than merely utilizing Question Period for that purpose. Obviously, Question Period is not a fair method of eliciting information from ministers. I think experience bears that out. The minister says that the occupational health and safety legislation is a very complex area. "And he is not sure whether this legislation could come forward this fall. There is some significant inspection responsibilities shared between this government and the federal government. Can the minister clarify whether or not his department has been engaged in negotiations to assume responsibilities currently held by such people as the mines inspector to assume that responsibility into his department prior to legislation coming forward?"

**Hon. Mr. Tracey:** No, it will all come at the same time. As the member across the floor stated, we are looking at taking over mine safety. As I stated last week, we are also looking at blasting and some others, such as first aid. But it will all be done at the same time. It is very unlikely that the federal government will be interested in turning mining safety over to us until they see the new legislation that we will be operating under.

**Mr. McDonald:** The minister stated that the second occupational health and safety officer, which they will be advertising, is going to be paid for from resources that are recoverable from the Workers' Compensation Board. When the new legislation comes down, is it currently the position of the department that the Workers' Compensation Board will continue to fund all inspection services, which this government will be assuming?

**Hon. Mr. Tracey:** No, they do not fund it all now. We also pay a percentage of it. The Workers' Compensation Board pays a percentage of it because much of the occupational health and safety is done for businesses that actually pay workers' compensation. Therefore, it is to the benefit of the Workers' Compensation Board that we have the occupational health and safety officer. The

government also pays a portion of it. The government will also pay a portion of the second officer.

**Mr. McDonald:** The minister mentioned that there would be new costs associated with the *Employment Standards Act*. I assume that is the act that has been tabled already. I wonder if the minister could outline what costs they are associating with this act.

**Hon. Mr. Tracey:** I made the mention that the employment standards board will be increased from a three-man board to a five-man board. That board has to be put in place and become functional. It will be required that it sit more often than it does at the present time. When we get to industrial relations, if we consider having one board do the functions of most of that legislation, we may be in a position in the future to consider having a full-time chairman of the employment standards board. Regardless, with the new *Employment Standards Act*, there will be much more requirement for the first few months at least for them to sit. There will be a significant increase there.

**Mr. McDonald:** I would like to return briefly to the issue of safety inspections. As you know, the responsibility for safety inspections is shared between this government — the various branches within various departments — and the federal government. Specifically, the mines inspector is responsible for the inspection of various sorts of mines. The existing occupational health and safety officer does conduct certain investigations and, I understand, engages in public education to a certain extent. Can the minister give us a breakdown as to the extent to which the occupational health and safety officer spends his time in public education and his time in inspection of services?

**Hon. Mr. Tracey:** No, I do not have that information right now. I may have it in my briefing notes here, but I would have to deal with it when we get to occupational health and safety because I do not know it off the top of my head and I am not sure if I even have it in my brief notes. I know that he does some educational programs, but recognizing that with only one occupational health and safety officer, he does not have that much time for educational programs. Hopefully, when we have the two officers, the educational programs will be able to be increased significantly.

**Mr. McDonald:** We can probably get into more detail when we do get to the line item regarding labour services and occupational health and safety specifically. There is, of course, on page 39, some indication as to how the occupational health and safety officer spends his time.

There are reports that come out of the officer's office regarding results of safety inspections. Is it the policy of the government to make such reports public, or to be accessible at public request?

**Hon. Mr. Tracey:** Not specifically. If it deals with some business, no, it should not be made public. If it is something between the business and the occupational health and safety officer or the government, it is not something that should be all over the territory, especially if it is something that may look bad on the surface, or could be very detrimental to someone on the surface yet when you get down in depth not as bad as it would look at the first glance. Consequently, businesses or perhaps labour could be put in the wrong light.

**Mr. McDonald:** I am sure the minister may be aware that such reports have been made public and have been tabled in this House before. I recall at least one instance of that being the case. There is the rather significant issue of the employee's right to know the results of safety inspections that he helps to pay for as a taxpayer and which directly impacts upon his own safety and health in any particular occupation. I would make the representation that it is clearly not just an issue between the government and a business. The issue involved is the safety practices that impact upon the safety of the workers who are working for that business.

"It is one of their fundamental rights, in my opinion — as I think I suggested last week — that employees are given the right to know about the safety practices of their employers and the government's evaluation of those safety practices. This is a rather significant issue.

I am wondering if the minister could explain whether or not the government has allowed employees to know what the results of any particular inspections have been, in the past?



**Hon. Mr. Tracey:** Before I answer that, I should also state that, perhaps, it would be detrimental to some of the employees of some companies who may not be operating in an efficient and safe manner, so there are two sides to the argument. I am not just speaking on behalf of businesses, here, I am speaking on behalf of employees, who may, in some cases, not be operating in a safe manner or who may be perceived to not be operating in a safe manner. It may be detrimental to them, as well.

If an employee raises a safety issue with an employer, I am fairly confident that whatever report is made or whatever study is done, the information is made available to the person who lodged the complaint.

**Mr. McDonald:** The minister made two points. One concern that the minister has is that safety inspection reports could be misinterpreted by the general public, thereby throwing a particular operation or a particular employer into disrepute. I think it ought to be rather obvious that these sometimes very technical reports can be misinterpreted by people who are unfamiliar with the jargon of the industry. Nevertheless, for those familiar with the industry itself, particularly employees, it could be of great importance to them.

Now, obviously, there may not be a specific complaint that an employee may lodge upon an employer without really understanding the extent to which that poor safety practices could impact upon the employee. It is quite often the case that employees may wish to discover, for example, the extent to which noise levels or dust levels in the mine could impact upon their health and I think it is very important that they are given this kind of information.

The minister said that he was not merely looking out to protect the interests of the public profile of employers but, conceivably, could be protecting the interests of employees who may be operating unsafely. Obviously, it is in nobody's best interest that either employers or employees operate in an unsafe manner. If I were an employee working in a mine, for example, and I discovered that hoistmen were not following proper procedures, I, as a miner who travels a hoist on a daily basis, would want to know that and I think it is very important that I do know that, as an employee who trusts the government to provide impartial, adequate safety inspections.

I think it is obvious that it is not the place of the government to protect those persons or protect the people who are operating unsafely; to protect them in order to maintain their anonymity.

It is not that the government must come down on individuals who are unwittingly acting unsafely. The point is that in general open knowledge of all safety conditions within a particular operation, whether it be a mine or anything else, general knowledge of those operations can only serve to assist all employees and the employer as well.

**Hon. Mr. Tracey:** The member led off by making the statement that I said that the employees were acting unsafely, I did not say that. I said, they may be perceived to be acting unsafely and if they are acting unsafely, I would certainly hope that someone would say something to the employee and to the employer to the effect that they were acting in an unsafe manner and their actions should be changed. Conversely, if an employer is acting unsafely, I would certainly expect that employees would tell the employer that he was acting unsafely, and also other employees.

What the member is asking me to do is to say that it should be general knowledge to the general public. In a mine, for example, they have safety committees and those safety committees are made aware of the reports of the occupational health and safety officer, when he is there. He is there for a specific purpose. He lets both sides know what he has come up with.

**Mr. McDonald:** The minister made a number of points. The last point about the safety committees operating within a mine being made aware of government inspection reports may be true. If it is true, it has been true for only the past couple of years, since I have left the day-to-day operations of the mines and safety committees to other people.

The minister again brought up the issue of the perception of his fear that perhaps people who may be cited in inspection reports may be perceived to be acting unsafely or in an unsafe manner, I assume by those others who are ignorant of the circumstances of any

particular operation. Almost any report, of any kind, can be misinterpreted by those who are ignorant of the terminology of the report and those who are ignorant of the operation. However, those who are in the know or those who are familiar with jargon and those who are familiar with the technical aspects of safety reports do regard these reports in the manner in which they are produced. In many cases, they can detect inadequate safety monitoring. For that reason, they may be able to provide the inspector a service by suggesting corrective action. That, perhaps, is another reason why it ought to be made general knowledge when safety inspection reports come out.

It ought to be the policy of the department that all persons involved in a particular operation, who may be adversely affected by an unsafe practice, ought to be informed of that unsafe practice, or ought to be allowed to be informed about an unsafe practice, not merely the person who is performing unsafely nor their employer, and also every other person in the operation who may be affected by that unsafe practice. This, obviously, involves the right for working people to know the details of the operation so that they can understand the nature of the possible abuses of people's authority.

They can perhaps understand the nature to which their operation can be unsafe, and if they were given a regular updating of special reports then they may help to self-regulate their own industry by providing suggestions that would allow them and everyone to operate more safely and in a perhaps more humane way. That again is another representation.

If the minister would like to respond, then he may. If he would not, I would like the minister to comment on the issue of video display terminals. The minister has said in the past that, as far as he is aware, there are no health problems associated with these items of equipment and I am wondering if the minister could clarify that statement?

**Hon. Mr. Tracey:** The reason why we are drafting a new occupational health and safety legislation is because what we have is outdated and what we are trying to do is provide for a system where accidents are controlled and the accident regulations and safety is controlled by a committee in each individual business. When that is set up, I think all of our occupational health and safety functions will operate much more efficiently and much more fluently.

As for video display terminals, I still have not seen any evidence to show that VDTs cause occupational problems.

**Mr. McDonald:** I am sure that VDTs would not cause occupational problems but, rather, perhaps, health problems.

First of all, I am happy the minister did give us a peek at any policy that may be coming down regarding the new *Occupational Health and Safety Act*, except the fact that perhaps we would be anticipating individual committees in every operation. That, of course, opens up a whole area of questioning that I will forego until the legislation actually comes down. The institution of safety committees in operations was a recommendation that many people made to the consultant who studied the problem of occupational health and safety some three years ago.

The minister, in referring to video display terminals, suggested that he was not aware of any occupational health problems associated with video display terminals. Was the minister referring specifically to radiation or was he also referring to eye strain, back strain, et cetera, which are almost universally accepted as commonly associated with the use of such terminals?

**Hon. Mr. Tracey:** I was referring to radiation.

*On Consumer and Corporate Affairs*

*On Administration*

*Administration in the amount of \$199,000 agreed to*

*On Consumer Services*

*Consumer Services in the amount of \$161,000 agreed to*

*On Corporate Affairs*

*Corporate Affairs in the amount of \$195,000 agreed to*

*On Labour Services*

**Mr. McDonald:** Could the minister explain some of the figures of page 39, Occupational Health and Safety and Labour Services, under Statistics? There seems to be a rather marked increase in the

anticipated number of workers to be contacted over the next year. Is there a policy or a timetable whereby workers will be contacted in a more thorough manner than they have in past years?

**Hon. Mr. Tracey:** No. I have already stated that we will have a new occupational health and safety officer. That will allow those two officers to make many more contacts. There are no more contacts in the labour services. They are in occupational health and safety. If we have two members, we certainly will be able to have more contacts with the general public.

**Mr. McDonald:** Is the minister or minister's department planning to canvass workers in a more systematic manner than in the past? Are they planning to visit workers only upon request or will they be offering their services to workers' organizations in a more systematic manner in order to ensure that they cover more workers in the next year?

**Hon. Mr. Tracey:** We will not only be able to hold meetings with workers on a more consistent basis and a more active basis, but we will also be able to get out and do more inspections.

*Labour Services in the amount of \$281,000 agreed to*

*Consumer and Corporate Affairs in the amount of \$836,000 agreed to*

*On Medical Profession Act*

*Medical Profession Act in the amount of \$1.00 agreed to*

*On Legal Profession Act*

*Legal Profession Act in the amount of \$1.00 agreed to*

*On Public Boards*

*On Electrical Public Utilities*

*Electrical Public Utilities in the amount of \$82,000 agreed to*

*On Employment Standards Board*

*Employment Standards Board in the amount of \$11,000 agreed to*

*On Professional Boards of Inquiry*

*Professional Boards of Inquiry in the amount of nil agreed to*

*On Real Estate Appeal Board*

*Real Estate Appeal Board in the amount of \$1,000 agreed to*

*On Insurance Licensing Appeal Board*

*Insurance Licensing Appeal Board in the amount of \$1,000 agreed to*

*On Yukon Medical Council*

*Yukon Medical Council in the amount of \$6,000 agreed to*

*Public Boards in the amount of \$101,000 agreed to*

<sup>10</sup> *On Whitehorse Credit Union*

*Whitehorse Credit Union in the amount of \$2,000 agreed to*  
*Department of Consumer and Corporate Affairs in the amount of \$939,000 agreed to*

**Mr. Chairman:** We shall now go to Economic Development, on page 48. It is open for general debate.

### **Department of Economic Development**

**Hon. Mr. Lang:** I would like to take a couple of minutes of the House to give a brief rundown, with respect to the activities of the department.

As the government leader has indicated, it would appear that our general economy has stabilized, as opposed to what it was in 1982-83. Just to give you some ideas of what we have done in the past and what our intentions are in the future, in the area of economic planning and research, as you know, we are taking a number of initiatives, as far as business development is concerned. We are attempting to maximize the potential of Yukon goods and services to attract greater investment in the territory and also to encourage companies working specifically — and, perhaps, elsewhere in the territory — to operate rotating shifts, as far as employment opportunities are concerned. Also, we are encouraging them to relocate staff in Yukon communities, where possible.

We have a close working relationship with the Whitehorse Chamber of Commerce and the City of Whitehorse and we have produced, in conjunction with them, a number of audiovisual

presentations for the purposes of business development in Yukon.

I must say, as an aside, that they are very impressive audiovisuals and were both produced here, locally. One, on the City of Whitehorse, was shown here on the weekend. I must say that I was very impressed with not only the quality, but also the number of services being provided, specifically, in the City of Whitehorse. The other audiovisual, "We Mean Business", which was produced by the Chamber of Commerce in conjunction with the Government of the Yukon Territory, gives a visual overview of the territory that is very impressive.

Also, we have developed a comprehensive business directory for 1984, which was produced in conjunction with the Whitehorse Chamber of Commerce. It gives a comprehensive list of all the businesses in the territory and what is available.

Along with that, in this past year, we undertook a business promotion tour to Calgary and Vancouver to promote the purchasing of Yukon goods and services, primarily to the mining companies, as well as the oil and gas companies. I should point out that our department is presently working on a business display booth, which will be utilized at trade shows in western Canada and Alaska. Also, we are involved in assisting the Whitehorse Chamber of Commerce in promoting the concept of a common logo for all products made in Yukon.

In order to be able to carry these initiatives, in November, we hired a business development officer, who has been actively involved with individual businesses, as well as organizations, for the purposes of providing promotional and advisory assistance.

This coming year, we are looking very seriously at taking a series of promotion tours in western Canada and Alaska. We are looking, in the fall of 1984, for a business tour to Juneau, Anchorage and Fairbanks in an effort to extend our market to these neighbours.

I should point out that in our preliminary discussions this morning, this is one of the issues that was raised in the formation of the economic council: the question of marketing, and the question of getting Yukon's name as well as those of businesses more well-known than they are at the present time. I think there are some possibilities in Alaska for the purposes of providing some services to the State of Alaska and the people there.

We also intend to be encouraging business expansion in the north. In conjunction with that, relocation if possible and new ideas for the purpose of incorporation in the territory, as far as the business community is concerned. The other aspect that we are looking at is the sponsoring of short seminars for the purposes of business advisory services with the Department of Education. That would be of some assistance to the business community: either night courses or short weekend courses — that type of thing — to dovetail with what the FBDB presently does.

The other thing that we will be looking at over the course of this year will be the implementation of the business development assistance program. As you know, we voted the money in the capital in 1984-85 and the amount was \$500,000. I will be bringing forward a bill that would delineate the terms and conditions of how those dollars will be made available to the general public.

In the area of another nonrenewable sector of the territory, I think there are some very major concerns by all members of the legislature about the question of the future of Cyprus Anvil Mining Company. As you recall, the economic development and planning branch of the department is very much involved in negotiations with all the various players and we have managed, in conjunction with the Government of Canada, for Cyprus Anvil, to get the two-year stripping project approved, to which this government is committed to \$1,000,000 each year as part of our commitment to that particular project.

The other area that is of major concern to us, and we are working in cooperation with the Department of Renewable Resources, is the Yukon Placer Mining Guidelines Public Review Committee, which we appeared before on a number of occasions to put the government's position forward. We are going to be continuing to work with the placer mining industry over this forthcoming year. I hope to be in a position to proceed with a number of initiatives that are not in the budget at the present time, for the purposes of looking at more substantial data in respect to that particular area of the



economy. I will be discussing that with the placer miners when I go to Dawson City. I believe it is a week this coming Friday, for the purposes of meeting with the placer miners.

As indicated in Question Period and through a motion in the House, transportation and the question of the White Pass and Yukon Railroad versus the road access to Skagway, of course, is a major concern. We are working very closely with the CTC. We expect their report to be tabled in the very near future and some very hard decisions are going to have to be made in that respect. It should be pointed out that we are working very closely with the Department of Highways and Transportation, and are primarily responsible for coordinating the development of the Government of Yukon submission to the air transportation committee in respect to the question of deregulation. That particular proposal, once put forward and accepted, will be presented by the Department of Transportation.

One area I should mention that I have not raised is the question of the economic development agreement. There have been a number of questions in the House. I have been as honest as I possibly can. We are still in the process of trying to find out just exactly how many dollars are available. We have tried to put as much influence as we possibly can forward to getting this particular agreement to the point that we can sign it. I understand now that there is some question to the number of dollars that will be made available.

It started at \$50,000,000 and went down to \$35,000,000; then I believe we went to \$25,000,000, then we went down to \$17-\$18,000,000, and I understand there is some thought that it might be far less than that and we are going to have to ask ourselves whether or not, for a five-year agreement, we should be proceeding with an agreement. This is an area where I cannot state specifically whether or not we will be in a position to sign this forthcoming spring or not. We are just continuing to pursue this particular area to see whether or not we can have the subsidiary agreements in place.

I should point out also that the department has in the past been very much involved in negotiating major projects, such as the Peter Kiewit and various other projects like this, and we will continue to do so as projects appear to be on the horizon. We are doing everything we can to aid and abet, where it meets our terms and conditions, those various mining or oil and gas projects that will be of benefit to the territory.

In the area of research and planning, as the leader of the opposition, the critic, knows as well, we have made some improvements to the Yukon economic model and a medium-term economic forecast should be released here soon. The branch has also developed an input-output table for the Yukon and a series of economic counts for the periods 1978-82, which also is expected to be completed. I should point out that I read the minutes from the Public Accounts Committee about the organization within the department in total. I understand what the members of the committee were getting at and we are doing everything we possibly can to see whether or not we can do an analysis of the workload of various members of the department to ensure we are getting the cost benefit that is acceptable as far as the government and the general public is concerned. It is going to be a very difficult area because it is very subjective, as I am sure the leader of the opposition well knows, because you are dealing with people who are researching, writing, and bringing forward proposals and policies for government's consideration, and it is a question of their background and where one has to go and get the information and then bring it into a semblance of order that can be digested by those people who will have to ultimately make the decisions.

In the area of data development and statistical services, there has been a broad range of activities over the past year. We are in the process of preparing a community profile for Yukon that will provide comprehensive information on all communities within the territory; it is in the final stages. It is our belief that this publication will provide useful information for individuals within the territory, for prospective business people wishing to invest in the territory, and for travellers wishing to visit Yukon.

Also, there have been some questions raised on the accuracy of population figures in the Yukon, and it should be pointed out that we are working with the health care administration system and

seeing whether or not we can develop a more accurate figure. In 1984-85, it should be pointed out that this branch will further be developing data on energy social indicators and economic information.

It is interesting to note that the branch statistical services unit supplies information to over 1,200 individuals requesting a wide range of information, ranging from social, economic and demographic statistical information.

In the area of energy, we have been making every effort to look at the formulation and implementation, as far as a long-term energy strategy for Yukon is concerned. Also, we have the responsibility of the coordination of the design and implementation of resource management with Canada, in those cost-shared agreements that are, in most cases, coming to an agreement, and also the stimulation of Yukon's energy conservation and renewable energy industry.

During the past year, work has progressed, to some degree, on the energy policy for Yukon and one of the major problems that we ran into was the other issues that came before, primarily in the area of CTC. A number of our people have been assigned as their prime responsibility to get a position forward for the Government of the Yukon Territory. That has slowed down the completion of an energy policy, as far as the territory is concerned.

A new program will be introduced this year, in support of energy conservation. The first program established is in the budget and reflects some man-year increases. It is in aid of the policy for the purposes of a government internal energy management program. This is going to be a comprehensive energy management program aimed at, of course, the conservation of fuel in government buildings.

This new initiative will encompass the auditing function of government buildings. We will also be coordinating the program to work with all departments in the implementation, ensuring that departments are able to maximize capital funding available, through either our government or in conjunction with the Department of Energy, Mines and Resources.

I should point out, though, that I do not have specifics but, as a broad statement, audits have been performed, to date, on government operations that have shown a significant potential for reducing the government's energy bill. I think we should all be concerned about that, because it is an ongoing operation and maintenance cost.

There will be two programs put forward by way of a new bill that will be, hopefully, introduced over the course of this week for the purposes of energy conservation, as well as looking at the prospects of encouraging further alternative energy uses. The specifics of that particular program will be put forward in the bill, for your consideration. Like I said, hopefully, it will be introduced over the course of this week.

The conservation and renewable energy demonstration agreement was a success, last year. There were two programs undertaken: the residential retrofit for senior citizens, which was approximately \$290,000 and was implemented to two senior citizen apartments and 20 private homes. The second project was the Skookum Jim Friendship Centre, which received CREDA funding to train representatives, from each of the native communities, in the area of energy efficient construction. Just for information to all new members, no new projects will be approved for CREDA after March 31st, 1984, as the agreement expires on that date and the Government of Canada has made the decision to direct deliver.

I do not know what method that will take, but they have chosen across-the-country in order to politically raise their presence that the provinces or the territory will no longer be in a position to work in conjunction with them. I, to some degree, am very disappointed about that. This coming year we will be assessing the success of the demonstration programs and monitoring them to see just exactly what savings were made.

I should point out, this also applies to the commercial buildings, commercial establishment retrofits that were authorized. 125 audits were done over the past couple of years and 55 percent of the clients undertook some or all of the audit recommendations.

The projects branch was established in July 1983 and is primarily for the purposes of coordinating with the oil and gas companies and is a result of the transfer of the intergovernmental relations branch,

which went to the executive council office, and we are going to continue to coordinate with industry over the course of this year. I think you will find it has been very successful. We have approximately 120 people employed in the oil and gas industry, both in the Beaufort and in the Norman Wells area. We roughly estimate between \$6-\$7,000,000 as far as dollars coming through the Yukon from the industry.

The other area that we will be participating in is going to be, in conjunction with the Government of Canada, the Yukon Northern Benefits Committee, and hopefully we will be able to receive some dollars from the consequences of the federal-territorial northern oil and gas actions program, which is commonly referred to as NOGAP. We are looking at approximately \$4,300,000 worth of research funds that would be totally recoverable from this source for the purposes of doing a number of areas of study and research in various departments within the Government of the Yukon Territory.

As far as the number of people are concerned, we have had .5 transfer from the executive council in exchange for a full man-year clerical during the realignment of the transfer of intergovernmental affairs and economic development. We are proposing a new position, business development officer, for the program that I indicated earlier. Also, there are two people who will be involved in the internal management program for the purposes of conservation of energy within government buildings, and also two people for the purposes of coordination and clerical assistance for the energy programs that will be before you in the form of a legislation over the course of this coming week or possibly the beginning of next week.

Thank you very much.

**Mr. Byblow:** I think first I would like to tell the minister that we appreciate his opening remarks and some of the detail that he provided. I would also acknowledge what I perceive as a shift, to some degree, of policy from previous debates in the area of local materials. I believe the minister said that there will be initiatives to maximize the potential of Yukon goods and services and certainly I acknowledge that as a laudable move. I think the minister expanded on this to say that there would be further initiative to marketing of local products. On that move as well, we applaud the effort and later we will, no doubt, have many questions about the practical application in actual program expenditure of these two specific thrusts of economic development.

The minister will certainly recall previous debates and particularly those of about a year ago, when this item in the budget was discussed. That was, at the time of the height or the depth of the recession. We spent considerable time addressing the various initiatives and policies that government ought to take to encourage further and improve development in what was a very depressed economic situation facing the territory.

I believe it was only last week that the government leader and the leader of the opposition spent some time, also, discussing economic initiatives where we ought to be looking at more utilization of those goods and services we have available to us in the resource and economic areas. I think that any time one addresses economic development by the very nature of the subject one is caught into a cyclical debate, where similar subjects keep coming up again and again. I notice the minister refers to the EDA and that certainly is a cyclical thing for many years. We talk about placer regulations, we talk about Cyprus Anvil, we talk about business development assistance program. All of these things we have talked about at some length in almost every budget debate that I can remember for several years.

What I would like to approach firstly, in general debate on this vote, is the subject of unemployment as it relates to economic development.

When I review the pattern of unemployment, over the last year or two, there is a distinct pattern that shows up, as you look at the statistics. Before I get into explaining what I want to get at, to the minister, I want him to be reassured that I am not trying to confound him with statistics and I am not trying to manipulate them. I have a very serious question relating to economic development, as it pertains to unemployment.

When I look at what happened last year, in terms of our

workforce, the statistics tell me that we have a decreasing workforce. For example, in the third quarter, there were 11,334 available people to work; in the fourth quarter that was reduced to 11,100 and some odd numbers. Okay, so that pattern, when compared to previous quarterly reports, shows a continuing pattern of decreasing workforce. Now, during that same time that the workforce was decreasing, the unemployment rate was increasing. Again, by the minister's own branch, ERPU statistics have been compiled that tell us about the workforce increasing from a low of nine to 14 and, subsequently, in December, to 16.

Having established those two points as a pattern — an increasing rate of unemployment and a decreasing workforce — I believe the fourth quarter report of the minister's branch identified nearly 2,000 as having left the territory or as having withdrawn from the workforce, for whatever reason. So, if I extend the line of argument I am developing, I can start to use the statistics that are available today, from unemployment insurance. Today, we have some 2,200 people actively seeking jobs with UI and that has increased from 1,700 last December. So, there is an increase, as well, of numbers of people seeking UI claims. What I am using for the 2,200, I would tell the minister, is current statistics from UI, because we do not have current statistics from the minister's department. The last statistics we have relate to December.

Up until December, I established earlier, we have increasing unemployment and decreasing workforce. I have just simply extended this to find another current situation of where our numbers of people on UI are still increasing. Perhaps the minister would suggest that there is something incompatible in that, or something of a contradiction. I only use those figures and I do not use them in any way to confuse the minister or to mislead the situation. I want to make the simple point that we have a decreasing workforce, we have increasing unemployment and that raises the question surrounding economic development policies.

I would submit to the minister that it is not easy to make conclusions about what ought to be done to change this scenario, faced with what we are in Yukon, relative to our control over the marketplace, control over resources and our ability to influence employment.

Certainly, fundamental to any economic development policy has to be the issue of addressing employment. That would have to be reflected in policies of a government in terms of economic development.

The minister said earlier that we are on the road to recovery. I believe the government leader has said that before, as well. I do not wish to necessarily challenge that outright, but I would raise some suspicion about that statement when I look at what is happening in the unemployment picture. Certainly, in some sectors of the economy we have recovery. The minister knows that if General Enterprises gets a contract in Alaska for \$15,000,000 as they did, that has a tremendous revival in that particular sector for that particular business and the spinoff benefits from it. The fact remains that we do have this situation of an increasing unemployment rate. At the same time, our work force is reducing, so that tells us that many people are leaving the workforce. In light of what the minister has explained earlier about its initiatives in economic development, with reference to marketing of Yukon products, encouraging local materials and development, providing assistance to the business community, all of these initiatives, which are good in and of themselves.

I leave with the minister an opportunity to respond to the question that I have, which is essentially that I want to know whether his perception of the economic policies of this government are improving the employment picture.

I do not wish to create any provocative debate. I am simply trying to establish some better understanding of how we are addressing the employment situation, which seems to be substantiated by stats that says it is pretty bad, and by the policies of this government, which are to encourage business community development, local materials development, and a marketing of products, which is perhaps an oversimplification of what the minister said about some of the initiatives.

**Hon. Mr. Lang:** To put it in its proper context, it should be

pointed out that in the December, 1983, health care records there were 23,378 people, which showed an increase in population since September of 1983, from 23,214. In other words, we had an increase in our population, if you want to use this statistical information. That is why I have problems producing these statistics, because it depends who is reading them and what you want to put forward.

I should point out that the government has done quite a number of things in an attempt to utilize the, from our point of view, tools we have available to us. For small business, we dropped our corporation tax by 5 percent. On school tax we dropped that by .10 percent to aid small business.

<sup>57</sup> The Minister of Education brought in an employee retention program, over the course of the winter months, to offset those costs in small businesses. We have initiated a number of areas of concern in the placer mining area, because we feel very strongly that, if what continues to come forth from the Government of Canada continues, we could have a major problem in the survival of that industry.

I think we have done everything, as a government, in promoting development in the territory. When one takes a look at our north coast, because of the fact that we do not own our resources, it puts us, as a government, in a very difficult position. If this side of the House would have had its way, we would have possibly seen some major development in that area, especially the prospects of Gulf Canada, which was prepared to invest in the neighbourhood of \$60,000,000. Time has passed that by and I doubt if we will see that ever coming into reality, because of the progress of the Beaufort Sea. That is just an example.

The real problem that we have is the fact that, because we do not own our resources, we are not able to give the direction, via this legislature, through the Cabinet of the day, to those entrepreneurs who want to go to work. We are in a very difficult situation because of that lack of responsibility. If we had a Government of Canada that was prepared to take on that responsibility and was doing it, I do not think we would have any complaints in this House.

However, I find myself very much at a disadvantage, when the member opposite is talking about the economic policies of this government, where I believe we have taken substantial measures, both in taxation and initiatives, when one takes a look throughout of the government for the purposes of encouraging investment, encouraging the small business to go to work. For example, another one that comes to mind is that the Minister of Highways opened the roads early, by April 1st, which was approximately a month earlier than we have ever done it in any other year for the placer mining. Those areas are spheres of our responsibility. We are encouraging and trying to do everything we possibly can to aid those people in business, who are, in turn, hiring people for work early.

Along with that, offsetting that, as the Minister of Finance has indicated, was the \$10 million that was put forward for the purposes of government projects throughout the territory, over the course of the winter. I should add — and I do not think the members opposite will argue this — that, in many of the ridings in the territory, these projects have put quite a number of people to work who, otherwise, would not have been working. I believe it was of positive benefit to the communities and the people who managed to get employment through that method.

I am just saying to the member opposite that we are doing everything we can, within our sphere of responsibility. I would like to hear the member opposite tell me what he thinks we should be doing, as opposed to sitting there criticizing, perhaps, what we are doing, because I have not heard any alternatives. I am more than prepared to listen to alternatives from the other side of the House and, if they make sense, maybe then we would carry on and implement those ideas, but I would like to see the member for Faro bring forward some positive ideas on, perhaps, what we could be doing, remembering our responsibility.

**Mr. Byblow:** I think the minister has already had a major initiative from this side, with respect to the economic development council. I already acknowledged that there appears to be a major shift in this government's policy of encouraging local materials, local products and local marketing. Certainly, this is a move that

we have, on this side, been talking about for years.

I want to go back to a statement the minister made about the stance I used to indicate that our employment situation is pretty serious. He indicated to me that he could not understand the stance because there was an increase in population.

<sup>58</sup> **Hon. Mr. Lang:** Where does it say that?

**Mr. Byblow:** On page 1 of the minister's economic review of December. Clearly, in the fourth paragraph, it says that there was a net out-migration of 1833 Yukon residents, so there was a reduction in population during the course of that year. What I was citing were workforce numbers and unemployment numbers. I guess the only question I would leave with the minister is to ask him for the record: when this government contemplates its economic policies, that is, when it is establishing a budget in which there are going to be some monies set aside for certain initiatives as the minister describes for the purposes of putting people back to work or encouraging the private sector or contributing to some business initiative, how does this government analyze or assess the employment that will be created from that stimulus provided by the collective monies put into the budget?

**Hon. Mr. Lang:** That is very difficult to do. If you put forward a loans fund, it depends on how many people are going to apply for the purposes of those loans, but will indicate at the end of the year just exactly what the consequences were in respect of employment and that type of thing generated by that mechanism that was set up through government. What we are saying is that, philosophically, we believe business is the key element that is going to rejuvenate our economy and we, as government, should be here to assist where possible without bringing in unfair competition. With that in mind, that is what we will do.

When you take a look at the number of programs that we have available to us, I think we are doing everything we can to work against the unemployment that is here in the territory, that is here across Canada, not just here. I think we are working towards that end, but I wanted to cite to the member opposite the difficulties that we were facing in respect of our limited jurisdiction, whereas, if it was broader, perhaps there would have been a major project, as I indicated, on the North Slope, going. It would have benefitted the people of the territory. I just wanted to hear, not to discuss statistics but general broad principles, to hear from the member opposite what would they do in the area of taxation to encourage business? Because I have not heard that. And I am not doing this in a provocative manner; I thought the idea of a debate that was relatively non-partisan for the purpose of seeing if there other ideas that we could be proceeding with. I think it would be unfair to say that the economic development council would be the key to our economy, because I do not think that that is the case. It is a part and a variable that can be brought into effect, and bring forward perhaps new ideas and generate new ideas that perhaps could be brought into reality. I am just thinking of the realities that face us today and what else can be done in respect of the overall broad overview of government.

<sup>59</sup> I have to remember all the time our limited responsibility and authority, which is a major impediment to us. I am not crying about it, but it is a fact. I have to rely, in many cases, on the Minister of Indian Affairs and Northern Development to make the final decision, which puts us in an untenable situation and, vice versa, him. Right now he has leadership aspirations, and I do not think the Yukon really takes in a great priority as far as his timetable on any given day at the present time.

These are the facts that we are presented with, and we are doing the best with what we have. I think that is evident from the priority placed in the speech from the Throne and also from what is put forward in the budget that you have for your consideration.

**Mr. Byblow:** Before we leave the employment question I raised, in my opening remarks, I should for the record clarify that unemployment statistics right now — over at Canada Manpower, the Unemployment Insurance office — indicate that we have nearly 2,200 people out of work. If you take this government's workforce numbers of 11,133 in the fourth quarter of last year, you can translate that into a 20 percent unemployment rate, which is really critical. That is assuming that the workforce numbers have

remained the same from December to now. That was the principle point regarding unemployment. We have a very serious situation facing us in the territory and my curiosity was: how was the unemployment question addressed in the economic policies of the government?

The minister tells me that he has a budget here that outlines, for our consideration, this government's program in economic development. The budget also reflects a 24 percent overall increase. That would, for the most part, reflect a substantial attention being given to economic development. However, when you look at that more closely, it becomes something quite different in its individual components. Energy has gone up by some nearly ninety percent in terms of the expenditure towards that. I do not say that is a bad thing. I am just saying that that is where priority and attention has been given.

We also know that energy programs, for the most part, are federally recoverable. In fact, when I look at the opening figures on page 47 of the budget, I find that approximately 1.5 of the total budget is monies of this government. The rest is recoverable. <sup>60</sup> When I consider that a good portion of that money is given to energy programs, which I do not condemn or criticize because they are vitally important to our state of energy conservation in the territory today, I note that major projects gets a decrease in expenditure. Okay? So I am having some difficulty reconciling where the priorities are and where the real economic initiatives are that this government is proposing to us in this portion of the budget. Now, the minister, if I could answer his question, he can answer and say economic initiatives are found throughout the entire budget; then he is correct. But insofar as this budget goes, could he answer for me or could he defend his position of not identifying economic initiatives in this portion of the budget?

**Hon. Mr. Lang:** I want to make it very clear that, in most part, this particular department is not an implementer of programs — except mainly in the area of energy — and I indicated to the member at the outset that there would be a bill for your consideration over the course of this week and also another piece of legislation with respect to the aspect of business assistance, which will be tabled and will be given due consideration.

I should point out that, as far as recoveries are concerned, it is a very broad statement the member opposite has made. The point being that, primarily, the energy equalization was \$1,300,000 — almost \$1,400,000 — of the total budget that you have before you. I want to make it very clear, as I indicated to you as far as the deregulation is concerned, we will be doing a lot of the groundwork as a department but it will be transportation's responsibility to effectively bring that forward. So we are helping a lot of the other departments prepare and bring forward positions as far as government is concerned and as I indicated at the outset of my remarks some are very subjective in respect of trying to do a cost-benefit of what these researchers and these people are doing — a project in a certain amount of time for the purpose of consideration by government or whomever that particular project is to come into line with. I think, as I indicated, as far as our programs are concerned, those are the two areas we are looking at, for implementation; business and energy. Those are the two areas. We are also looking, and hopefully over the course of this year, serious consideration will be given to the idea of going to Yukon Hydro, but that would be the vehicle itself, Yukon Hydro, not the Department of Economic Development. So you have to understand that. We are in many respects gathering information, gathering ideas, gathering concepts for the purposes of utilizing perhaps in other departments, whether it be in the area of renewable resources or whether it be in the area of human resources, and those programs are for the purposes of implementing. All I can say is, I think we have done well in respect of bringing what we have before you.

**Mr. Chairman:** As our debate is about equal right now, should we recess until 7:30. Is that agreeable?

#### *Recess*

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

**Mr. Byblow:** Prior to the break, I think we had been discussing the employment that normally is generated out of an economic development policy. We talked in some measure about an increased emphasis being placed on local materials, local goods, local marketing, of local products.

Surrounding the lumber industry and its potential in Yukon and, most specifically, relating to the Cattermole operation in Watson Lake, I believe it was in Question Period today we had a brief exchange about the desirability of that company to market its product overseas via a road to tidewater. That is not the issue I wish to raise. The issue I want to explore briefly with the minister is the policy that government would be able to take in encouraging that kind of a resource development as it relates to increasing the local employment potential of the industry.

<sup>62</sup> To be precise, does the government have a policy of encouraging an increased level of manufacturing of a raw product, as it relates to timber and lumber, or does it even take a position on that?

I recognize some sensitivity to the issue but, when we are talking economic factors or when we are talking about economic development and the factors that will encourage employment, I am sure the minister will agree, if we can encourage an increased level of manufacturing in the territory, it has to be encouraging to some overall objective of an increased self-sufficiency, by the territory, in its economic development policies.

**Hon. Mr. Lang:** I think any jurisdiction would prefer the ultimate, as far as production and the manufacturing of any product is concerned, where it is economically feasible. I think that has to be an objective.

At the same time, you have to understand that if the promoter of a business cannot sell his product in a finished form, then perhaps there are some other alternatives that can be examined for selling such a product. The major concern that we have is the possibility of not selling to the Chinese, as far as the timber in the Watson Lake area is concerned. The fact is that there would be less production required, because it would be sold as cants, the way I understand it.

<sup>63</sup> That in itself would be a political decision already made by the Government of Canada because it is their resource and their resource base under the present jurisdiction. I am sure we would be consulted in such a matter, but we have never been formally approached on that. Therefore, we have never taken a position one way or the other because we do not think it is up to us to do a major examination at this time unless there is a serious proposition put forward to this government. We would definitely prefer the fact that it be manufactured to the nth degree.

My understanding is that there are possibilities of markets for that particular timber in the Alaskan economy that could well take a good large part of that particular resource if the necessary contacts are made. I think it is safe to say that we have indicated that we are prepared to help in that area by any means possible to help market and/or more or less act as a go-between the seller and the buyer as far as making those initial contacts. After that, of course, the two sides would have to negotiate what price is amenable to both sides, and that is the bottom line that is going to be financed.

**Mr. Byblow:** Pursuing the general subject of local materials and local manufacture, I recall, upon entering the legislature back in 1978, having seen a report done by this government that analyzed the potential of an industry that would manufacture a specially designed Yukon home with the use of Yukon materials. That study was done about 1976, that is eight or nine years ago.

<sup>64</sup> Are we currently, as government, looking at that potential industry? Are we providing any kind of incentive towards the examination of utilizing Yukon materials for a design specially equipped for northern conditions of a Yukon home, either through the vocational school or through some pilot project, or through some simple feasibility as to its practicability for the Yukon?

**Hon. Mr. Lang:** No, not to my knowledge. We will have to check with the minister of housing, but I do not believe it is our intention to build any more homes as far as the public housing is concerned in this forthcoming year. I should point out that there is an organization, privately owned, in the Watson Lake area that is presently in the process of prefabricating log homes and making them available in the marketplace here in Yukon and northern British

Columbia. As for the prefabrication of units, such as the Whitehorse Correctional Institute, I believe they were built by a local firm for the institute.

At the present time, in this particular area as far as prefabricating and building for local use, I think it is safe to say that we are overbuilt to some degree as far as residential housing is concerned in Whitehorse, which is the largest centre. In the other communities there is some housing being built. The community that comes to mind, where housing is being built, is the Dawson City area. For the most part, I think they are either being serviced by the local sawmill as far as manufactured wood is concerned, or in some cases they are buying prefabricated log homes. Whether or not they are buying from the individual or the private company that I talked about earlier, I do not know.

**Mr. Byblow:** I simply raise the concern and the prospect or possibility that this is an area where we could be providing some incentive towards and which would increase the use of materials and increase the employment ratio, in that sector, and it does not necessarily restrict itself to lumber. With my limited expertise, or absence of it, I would suggest that there is more than lumber that may be useful in construction for homes.

Extending on the subject of secondary industry, the minister touched on something we have also briefly discussed in Question Period, I believe, and that is the extension of marketing of Yukon products and the encouragement of the cottage industry, or small-scale manufacture. This, I conclude, would relate primarily to catering to the tourist industry. The minister has indicated the participation that this government provides to the business community for encouragement in this area.

I guess I want to zero in, more specifically, on what that entails. Just what kind of support are we giving to the encouragement of the cottage industry and those products that would relate to the tourist market? I know about the business directory. I know about the trips relating to Calgary and Alaska and so on. What, more specifically, are we doing to encourage that, as a government?

**Hon. Mr. Lang:** The Minister of Tourism, who I am sure you will be questioning at a later date during the course of the budget, has announced a program that will be delivered through her particular program as far as the capital dollars being made available as far as the territory is concerned. I should point out that the idea of going specifically to the State of Alaska is to have our business community meet people in Alaska and make contacts for providing services in some areas of the State of Alaska.

There are a number of plusses. The first is our Canadian dollar, as opposed to the American dollar, and the difference in exchange. In many cases, you are not required to pay importation duty, which is a major plus, unless it is manufactured overseas. One that comes to mind as a possible business that could perhaps provide a service is the manufacture of windows. My understanding is that nobody is in that business in the larger centres of Alaska and we have that capability in the community of Whitehorse alone. As far as tourism is concerned, as I have indicated, there are a number of opportunities available through that particular department.

Also, I should point out that there has been a review of the Special ARDA program and I am looking forward to what recommendations are brought forward there because I think perhaps there could be a redirection of the dollars that are made available for encouraging the concept of cottage industries within the territory. For an example, the parka factory comes to mind, but there are also other areas that could be brought into effect, such as the idea of some sort of wood souvenirs. That type of thing could be constructed here and marketed here for selling to the tourist.

We have had the idea of a silver smelter that has been brought forward by the mayor and there is going to have to be a fair amount of work done on it. It is my understanding it is going to be very difficult, because of the geology of Yukon. It is not conducive to straight silver. You have your lead and zinc, and silver is a by-product. There is a question of the smelter and the costs incurred by that.

I think there are several. If you have further ideas, I would be prepared to listen to them as I think we should be looking at all aspects of work. Government will help create job opportunities for

people in private business for going into business and perhaps bring even a short-term bridging element, as far as the finances are concerned, so that it is run properly and the government is not getting directly into competition. It is a fine line we walk as well, as I indicated to you, as far as assistance to business is concerned.

I will be tabling a bill here over the course of this week, hopefully, and it will be debated at length with respect to the terms and conditions of how that half-million dollars would be allocated in respect of helping small business in Yukon.

**Mr. Byblow:** I am encouraged by some of what the minister says.

<sup>17</sup> The economic development council that is being struck will, no doubt, in some depth, assess the economic potential of the resource sector, the business sector and all of those potential areas, which we have under jurisdiction and under our control that can be applied in the marketplace. I think, if one remembers all the time that our principle economy revolves around mining, tourism and government — everything else feeds into that — and if we keep that in perspective, in a conceptual sense, we can keep ourselves on track, as to what potential Yukon does have.

The minister made reference to the assistance program and that a bill will be coming later. I do have many questions about it, but I think it would be in order to wait for the bill to come forward and we can look at the nature of the initiatives of the money that is proposed in that fashion.

Very briefly, because I think I understand what is happening on the subject of the EDA, I get the distinct impression that we are probably never going to see any money out of that program. I will be raising a continuation of some of the initiatives in that area with the Minister of Tourism. Very briefly and precisely, can the minister say if he anticipates any money at all under EDA, for any kind of major economic initiative, during the life of the current government in Ottawa?

**Hon. Mr. Lang:** I do not know. The last time I met with the Minister of Indian Affairs and Northern Development, when he was here, I believe I reported to the House that he indicated approximately \$17 million to \$18 million would, perhaps, be made available, as far as the EDA is concerned.

My understanding is that the rules have changed in Ottawa and it will be considerably less than that. We are going to assess the situation when we know what dollars we are talking about. I do not want to divulge the amount of dollars, because we have to find out how factual it is, but, if that is the case, then I would submit to you that the administration would probably cost more than the dollars would accomplish in the general economy.

**Mr. Byblow:** In light of the fact that the Northwest Territories was able to sign its agreement almost a year ago, I believe, I suppose I could be a pain to the government and suggest that they are terrible or bad negotiators. However, I think there is much more to the issue than that and I will leave it there and let the minister answer, over the long term, why we have not been able to produce the \$50 million. That was the original figure, a number of years ago.

One of the issues that seems to be one that surfaces in any kind of economic discussion surrounding mining is the concept of fly-in, fly-out operations. Certainly, my riding has been discussed a lot in respect to its potential as a bedroom community. At one time, the minister was participating in a task force that was looking at MacPass potential development.

<sup>18</sup> On that subject, does the minister have a progress report with respect to the Amax potential MacPass development, in the context of a fly-in, fly-out operation?

**Hon. Mr. Lang:** As you know, activity has gone down a great deal as far as that particular property is concerned. We did have meetings with the proponents. They are very much interested, still, depending on the metal market. There could well be some increased activity in there in 1985. For this coming year, to my knowledge, there will be no construction.

If they do go ahead, it will be a much smaller version than what was at first anticipated, because of the tungsten market. My understanding is that Abbotsford Resources, which purchased the Pan Ocean property, is going to do some work in there. I do not

know the extent, as of yet. As for further trying to map out just exactly what they have in there for reserves for lead zinc, that is all I have with me to report.

**Mr. Byblow:** One of the issues surrounding, in part, the MacPass and the North Canol development has been a company referred to as Yukon Barite, headed by Jim Dodge. In the course of the last year there has been an absence of any information or development surrounding that particular economic resource initiative. What does the minister have to tell the House as to why that project seems to be on the boards?

**Hon. Mr. Lang:** I cannot comment. It is in the courts.

**Mr. McDonald:** The budget address spoke of government initiatives and initially stated that the re-opening of United Keno Hill Mines was a reflection of increased mining activity in Yukon. The budget speech itself implied that the government had something to do with that re-opening. I wonder if the minister would care to comment on the way the budget was presented?

**Hon. Mr. Lang:** Yes, I guess you could say the government did do a number of things. When United Keno Hill was closed down, there was a question of the public infrastructure that was maintained over the course of that year while United Keno Hill was assessing the future of the mine. We carried out our responsibilities and I am sure it helped in getting back into production, such as just having the road open.

I think it is safe to say that we continued with our responsibility. If it was strictly a business and it had been under private contract, the road between Mayo and Elsa probably would have been shut down. I can say that I think we have done everything, as a government, to continue our public obligations in the interim period where everybody — employee and employer — was in considerable stress. It would seem to me that it is very much a plus, as far as the territory is concerned, that that mine is back into production.

**Mr. McDonald:** The minister must realize that his remarks have very significant implications on the future of one portion of my riding. As the minister will know, beyond Elsa, on the Mayo-Keno Road, is another community going by the name of Keno, in which there are some 60 or so permanent residents.

The minister suggested that when United Keno shut down, or closed temporarily, even though it still employed 20 full-time people, the government went to great lengths to keep the road open. Is the government saying that, should United Keno close temporarily or permanently, in the future, that that road access to Keno will, therefore, barring some great government lack of largess, close?

**Hon. Mr. Lang:** That is a very hypothetical question and is not one that I am even prepared to entertain. I just used that as an example, as far as the government's commitment in continuing what we deemed to be public obligations, whether it be in the area of education or highways.

I am not here to have an argument with the member opposite. I would like to hear some good ideas about the general economy.

**Mr. McDonald:** I am sorry to disappoint the minister, but this is a rather significant issue for people of my riding, of course. The budget speech does take a good deal of credit for the reopening of United Keno Hill Mines. The way it is presented in the budget address suggests that it did take such an initiative. It is under the byline "government initiatives".

The minister seems to suggest that because they maintained the road and the government operated the school in Elsa, which served the communities of Elsa and Keno — Elsa, of course, had 20 families residing in it, at the time — that this somehow accounts for the reopening of this mine, that it, somehow, was a government initiative. I fail to see how this counts as a significant initiative by this government.

**Hon. Mr. Lang:** If he wants to get into a member to member argument, I am more than prepared to stand up and argue with him that what we did to continue our obligations was much more constructive than to be at the forefront of a nine-month strike.

**Mr. McDonald:** I am perfectly happy to get involved in such an argument and I will continue this line for as long as the minister wishes.

I would like to make, as representation, that I believe the government, apart from what the minister said, had very little to do

with the reopening of United Keno Hill Mines.

Now, the minister, in his remarks this afternoon, did not mention by name the mining task force, but mentioned that the government would be involved with the placer mining industry this summer. I wonder if the minister would mind elaborating on the nature of the placer mining initiative, as he conceives it?

**Mr. Lang:** There are, of course, some recent developments in the handling of water licences, which the minister I am sure is aware of. Can the minister say what exactly he plans to do, either through the mining task force or individually, to assist the placer mining industry this summer?

**Hon. Mr. Lang:** There are a number of ideas that were brought forward that I am going to bring forward to Cabinet and then discuss with the executive of the Klondike Placer Miners Association. If it meets with a consensus, then it would be our intention to announce at that time what we intend to do directly as far as the placer mining association is concerned. I am at a disadvantage at the present time, as far as timing is concerned, but as soon as a decision is made I will ensure that the member opposite is made aware of what we intend to do.

**Mr. McDonald:** Regarding the recently conceived mining task force, have the terms of reference or has the priority schedule for this particular task force been established and has the membership finally been solidified?

**Hon. Mr. Lang:** One aspect of it was that the Council for Yukon Indians was invited to participate and, of course, with their present elections going on I think it is safe to say that not too many people are available. It is like trying to contact the Minister of Indian Affairs at the present time. It would seem to me that we are in the process of resolving what we see should be the terms of reference and, as I indicated to the members, the membership was going to be primarily the mine operators, the Prospectors' Association, the Yukon Chamber of Mines, the Department of Renewable Resources, the Department of Economic Development and the MLA for Hootalinqua, as well as me, initially, as chairman. I think it is safe to say that we have, at least, now resolved in our mind what the numbers are going to be on the task force. As far as the terms of reference are concerned, I do not have them with me here this evening but, once they are in final form, I will ensure that the members opposite receive a copy.

**Mr. McDonald:** I thank the minister for his answer. One of the more significant aspects of the task force, as I am sure the minister is aware, is the priority listing for this task force. A large number of people with whom I am familiar are wondering to what extent the task force will address certain problems that affect not only the placer mining industry but the hard rock mining industry. There is a concern that the task force will duplicate the efforts that were made last summer regarding the public input process. There are some people who suggest that perhaps, because the placer mining issue is extremely complex and is, in essence, a no-win situation in the sense that you cannot please all players in the equation, initiatives to develop placer mining guidelines or regulations would not only be an extremely difficult initiative to take but might also lead persons to entertain unreal expectations as to what the recommendations will eventually lead to.

**Mr. Lang:** I am wondering if the minister would mind commenting on that aspect of what people conceived to be this one priority, whatever kind of listing it has, regarding the mining task force?

**Hon. Mr. Lang:** Could the member be more specific. What priority is he speaking of?

**Mr. McDonald:** We are talking about the mining task force. We are talking about the mining task force dealing with placer mining and, specifically, the regulation of the placer mining industry. To what extent does the task force want to duplicate efforts that were effected last year, regarding a large public input process. To what extent does the task force want to deal with the regulation, per se, of the industry?

**Hon. Mr. Lang:** I think, at least on this side of the House, we are very much in favour of the placer mining industry not only continuing as far as an industry is concerned, but hopefully there is a place for growth and development. These are the general principles that we want to speak to the placer mining association



executive about. It would seem to me that certain things are going to have to be done, either by industry or by government to ensure that any regulations that are brought forward by the Government of Canada can be met, and can be met from a reasonable and economical point of view of the placer miner.

If that basic principle is not adhered to, the placer mining industry will no longer exist. I specifically refer primarily to the question of water effluency, or water quality, that is required. That is going to be the major determination of whether or not that particular industry continues as an industry and has the possibility of growing.

**Mr. McDonald:** So, what the minister is saying is that in effect the one priority, at least, of the new task force will be to review the placer mining regulations or the alternatives to the existing regulations as solicited in the recent review committee's report. The minister suggested that it was the government's desire to see the placer mining industry grow and thrive. Is the minister saying that the mining proponents during the placer mining hearings did not have a fair opportunity to express their positions in public last summer?

**Hon. Mr. Lang:** I think it is safe to say that the hearings got so complex and complicated for a layman that it was very difficult for anybody to understand exactly what people from the professional side were driving at, such as milligrams per litre, and getting into very sophisticated arguments as far as the commission was concerned. I believe there was open and due process. Nobody will argue with that. If he reads the report — and I would hasten to say to the member that he should read the report — it was made very clear that, as far as the water quality standard was concerned, the commission felt that they had insufficient data to really make a sound decision that was going to be able to ensure environmental standards, yet continue the survival of the placer mining industry.

**Mr. McDonald:** The minister made mention of the fact that the placer mining report was extremely complicated. I did, in fact, read the report a number of times and went over it with some industry people a number of times. I would definitely agree with the minister that the report, in its complexity, reflects a very complex situation. There is no question but that some of the recommendations that the report comes out with are not recommendations that many of us would like to see effected for the placer mining industry.

Whether or not you agree or disagree with the conclusions of the report, there is some question as to whether there remains the need for new opportunity for industry input. The minister made mention of the fact that there was insufficient technical baseline data, regarding fish docks, the low limits of streams for various species of fish, and the list goes on. I am assuming that what we are talking about here is that the Department of Fisheries, it was commonly felt, did not provide sufficient data to base its compliance schedules on.

There is some question as to whether or not the industry, itself, can provide this data. So, given that particular claim, would it not make a good deal more sense for the future of the industry to ensure that this data is accumulated and that the persons who could provide this data are canvassed and cross-examined very thoroughly? If that is the gap in information for which we, in the placer mining industry, are suffering, perhaps the efforts of the mining task force would be to ensure that such a gap in information was filled.

There seems to be some question as to whether or not the industry, itself, needs to restate its case. I felt that the industry stated its case quite eloquently and used this opportunity to speak as often as it could. They were responding, in large part, to data and claims made by government officials regarding fish stocks, et cetera.

It might make more sense, as I said, to provide the base to encourage and provide the baseline data, before you get industry input again, and to encourage the federal government, at the same time, to hold the line on changes and pull out all the stops, so that you can find and accumulate the necessary data to make an intelligent, informed decision. It seems somewhat unnecessary, at the moment, to recanvass the mining industry as to the very clear position that they have taken already.

The minister has said that the membership of the mining task

force is largely going to be mining industry officials. It is going to include members from the KPMA, the mine operators, the prospectors, the Chamber of Mines. Their positions regarding the industry and the viability of the industry and the future of the industry are well understood.

What is really at issue and the crucial aspect of the guidelines, if you can simplify it to that extent, are the inadequacies of the baseline data. I am wondering if the task force, rather than recanvass itself — obviously the mining industry is represented on the task force — as to what it would like to see done, would encourage that baseline data be achieved so that you can quite properly make a more informed decision.

**Hon. Mr. Lang:** I am very impressed with the man who has just spoken before me. Last week it was 'we, the farmers' and tonight it is 'we, the placer miners'. It is amazing how many things the member for Mayo is directly involved in. I commend the member opposite for his industrious approach to life, and I recognize that he is very much used to working long hours, but I want to say, obviously, as I indicated earlier, this is one of the issues I am going to be speaking to the executive of the KPMA on.

I should point out that the member opposite forgot to put forward that this side of the House supported the placer miners, if you recall, last year to the tune of \$20,000 so that they could get a fairly knowledgeable technical report forward so far as the placer mining commission was concerned. Therefore, we recognized the urgency and the need of that particular organization and I am pleased the member opposite is supporting all the endeavours from this side of the House, because we need as much support as we possibly can get.

**Mr. McDonald:** The minister is, of course, right when he suggests that the government side needs as much support as it can get. But, I can say that as far as a mining task force in principle is concerned, we are obviously in favour of the task force for a variety of reasons.

Somebody just piped up that it did not sound like it. Not only did this side request that it be represented on the task force, because otherwise it would be such an unwieldy political animal that people may not take it seriously, we suggested that there ought to be terms of reference established and there ought to be a priority listing. I think that is something that we have consistently promoted and called for over the last last couple of weeks.

I was dealing, as far as the placer mining industry is concerned, with that one priority. It seems that there may be some question as to how this task force is going to approach mining development in the territory. There are a number of other areas in which the mining industry feels it has grievances, and I think in some cases these grievances are quite legitimate. However, and let me put this as succinctly as possible, for the task force to merely canvass the interests of the mining industry itself does really no more than what the Chamber of Mines could do itself.

**Mr. McDonald:** The Chamber of Mines is a body that represents the mining industry in the territory. What the minister is calling for as far as the mining task force is concerned, is a body that is going to be composed of the Chamber of Mines plus a couple of politicians from one side of the House.

The problems the mining industry faces are to a large extent complicated ones, and they are very important ones. I am wondering what extra benefit the addition of two politicians will have on what is essentially a Chamber of Mines organization?

**Hon. Mr. Lang:** The member opposite has obviously got wrapped up in his own rhetoric, as far as I can make out. I never said that I was going to canvass anyone, and neither did I say the task force was going to canvass anyone. All I said was that I wanted to inform the House that I was going to be meeting with the executive of the Klondike Placer Miners Association a week from Friday. I just want to make that clear.

The idea of the committee or task force is to have joint industry and government discussions in a rather informal manner for the purposes of looking at how this government can take further initiatives, whether it be in the Department of Highways or Department of Education — it does not matter where — for aiding and assisting the mining industry in Yukon.

The reason it has two politicians on it is the policy and the dollars

eminate from the political arm of government. Once those decisions are made, the administration carries on. I do not understand the member opposite. One minute he wanted the committee and the next minute he does not want any politicians on it. It seems to be a contradiction in respect to his position. It depends on the time of day and perhaps the day, and perhaps the month.

I am looking forward to working with the industry to see what we can do that is constructive, that will be positive, as far as promoting the mining industry within Yukon. I think it is a positive step on this side of the House. The member opposite stood up before he started asking questions saying that he supported it. If I recall correctly, the member for Faro stood up and said that he supported the principle of what we were doing. I am kind of in a dilemma. Perhaps it is the time of day. I am not sure.

**Mr. Penikett:** I am sure it is not the minister's time of life.

**Mr. Chairman:** would you be so good as to explain to the minister a little procedural nicety, and that is that when the House votes money, it is the whole House that does it, it is not the Conservative party that gives money to some groups, or grants money to some groups. If the justification that money is granted to some organization for some purpose is that it comes from this House and that is the reason for including politicians in some bodies such as the task force on mining development, perhaps it might be useful if you could mention to the member that there are two sides to this House, and that there are two sides involved in this process, and that it is the House that votes the money. It is not the minister's to give away as he sees fit. He is not royalty, and he does not make a personal grant of this money. It is a little more complicated constitutional process than that.

**Mr. McDonald:** The point of this inquiry is to get some idea about the task force. We have lived in this territory for the last two weeks, wondering what the terms of reference of this task force actually are. There have been all sorts of press statements announcing great things and great support for the mining industry and, now, what we find is that this task force is, essentially, going to be an advisory council to the minister, in a sense. What they are saying, in essence, is that the institutional links between this government and the mining industry are flawed and that we need better communication between this government and the industry. Therefore, in order to find out how the industry really thinks and to discover what sort of better procedures this government can develop, in order to help the industry, we are going to develop a task force.

Now, it is nothing as grand as many people in the territory were led to believe. Obviously, we can see it is not going to solve the placer mining problem, as some people in my riding seemed to assume it was going to do; it is not conceived to be so grand, at all. In fact, there are a number of other issues that affect the mining industry, which the minister has not made any claim to wanting to solve. All we have got, so far, is a commitment that there are nebulous problems out there. We are going to sit down with these guys and we are going to solve it, as far as they are concerned. We are going to leave other people out of it and we will see what we can come up with.

What they are saying, in essence, is that the communication links between industry and the government are flawed. There is a problem with them and, therefore, we have to set up a task force — what they call a task force, but what is, in essence, just an advisory committee to the minister — in order to see if we can provide or produce better institutional links to get better communication.

**Mr. Chairman:** Is there any more general debate?

**Mr. McDonald:** The minister mentioned that some of the initiatives that the department has taken include business promotional tours to western Canada and Alaska. Can the minister just give us an indication as to the amount of preparatory work that goes into these trips to ensure that, once taken, they really do provide the kind of fruits that we would like to anticipate?

**Hon. Mr. Lang:** There is a lot of organization that goes into it. Primarily, coordination, in the organization of who they are going to meet, where they will be in attendance and the issues that will be discussed. I should point out that the one to Calgary and Vancouver was very successful, in the fact that I understand a number of

private business people made contacts and were successful in getting a number of contracts from the various proponents.

I think, also, from the perspective of letting people know that Yukon is here, it is interesting to know that, in the oil and gas business, I discussed with a number of people — mid-management and top management, to some extent — who were quite surprised to find out about the Dempster Highway and the fact that it was maintained for a period of time, during the course of the year, and it was an access, and this type of thing. So, there is the ability to say that there are alternatives, "Yukon is here and we do have the services to supply".

Also, the exposure of the various audiovisuals to people is of very much benefit. I think it gives a pretty good idea of what the Yukon is all about. It gives an idea of what our communities are like, unlike what the media sometimes propagates — people who come up for a day and decide they are going to rewrite Robert Service. People are very surprised to find the modern facilities that we have. So, I think it provides a number of positive aspects as far as encouraging people to come to Yukon for, perhaps, relocation, and looking at it as an area that they could work out of if they are going to the Beaufort Sea. Also for the purposes of potential investment as far as our logistics are concerned, vis-a-vis Alaska. It is one area we are looking at as far as marketing is concerned and maybe services can be provided. These are the areas we are looking at at the present time.

**Mr. McDonald:** I am trying to visualize how the promotional tours actually take place. What sort of vehicle does the business delegation use to get acquainted with business people in places like Calgary and Alaska? Is there a trade fair that they use to discuss business opportunities? Are appointments made with significant business people in the south? How is that effected?

**Hon. Mr. Lang:** I work closely with the Chamber of Commerce and utilize the various lines of communication we have to set up meetings and perhaps use trade shows. For an example, the Chamber of Commerce, who have to be commended, invited the Chinese consulate here to their trade show, and they did come. The other thing is that we are looking at participating in a trade show down in, I believe, Calgary in June. We are looking at the prospects of going to Alaska. I do not know if it is in the form of a trade show but we will be visiting Juneau, Fairbanks and Anchorage and meeting the business community. It is largely through the contacts of the Chamber of Commerce and government that we get people out and they are interested and they come forward and they see what we have to offer.

I want to point out also that, in most part, if not totally, it is the private entrepreneurs themselves who dictate who they want to meet with. Our offices can be utilized for encouraging people to come out to meetings. For an example, in the course of the tour down to Calgary and Vancouver, we got in to meet all the presidents of the organizations, primarily from using the office of the minister for the purpose of highlighting the importance we felt was attributed to that delegation. I am sure, if you talk to the private members who were within the delegation, they would agree it was very much of a plus that the government was involved and took such a keen interest. I think it paid off in dividends for them.

**Mr. Chairman:** If there is no more general debate, we will turn to page 50 and open general debate on administration.

#### *On Administration*

*Administration in the amount of \$340,000 agreed to*

#### *On Energy*

#### *On Policy/Programming*

*Policy/Programming in the amount of \$134,000 agreed to*

#### *On Internal Energy Program*

*Internal Energy Program in the amount of \$96,000 agreed to*

#### *On External Energy Program*

*External Energy Program in the amount of \$96,000 agreed to*  
*Energy in the amount of \$315,000 agreed to*

#### *On Energy Equalization Program*



**Mr. McDonald:** Could the minister say why the government feels that there will be an anticipated 35 percent increase in this program?

**Hon. Mr. Lang:** This is a program administered on behalf of the Government of Canada. The programs are as follows: The Canada Heating Assistance Program is available to residential consumers outside of Whitehorse who pay their own heating oil bills and do not already receive a fuel subsidy or allowance; the Commercial Power Rebate Program for the year is available to non-government commercial enterprises outside Whitehorse whose gross revenues are less than \$2,000,000 per year. The reason for the increase is the third program, The Federal Power Support Program, for residential consumers outside of Whitehorse.

Because of the work of the MLA for Kluane, this program has been extended to those lodges that are producing their own power and subsequently there will be an increase in that area. This is always an estimate, because it always depends on the numbers of applications at the end of the year.

*Energy Equalization Program in the amount of \$1,294,000 agreed to*

#### *On Economic Research and Planning*

**Mr. Byblow:** Because the program objectives of this particular branch of the department are clearly those that surround economic planning for the territory, as providing advice to the minister, has the minister any summary of activities of this branch over the past year and, perhaps, at the same time, can he indicate to us what type of research projects this branch is going to be doing this coming year? We know that there is an air transportation analysis being done. Is this branch producing any analysis of that? What other areas is ERPU engaged in?

**Hon. Mr. Lang:** There are quite a number of areas that we are involved in. We are going to continue attempting to get an economic development agreement with the Government of Canada. I think it is safe to say that we will be doing almost all the work as far as the study into air transportation is concerned. This will be done, in most part, through the contracting of individuals for that purpose.

I should point out that we are also involved in the CTC and the implications of the final report. We are going to have to make a decision as a government of what our position is going to be. We are also looking at business development in conjunction with business. Amendments will be coming forward to the Business Development Assistance Program so that it can be implemented. It is one program that we actually deliver through the department. We will be looking at the questions of marketing, as indicated by the questions from the member for Mayo. We will be looking at the question of data collection and dissemination. You are provided with that information, as you know.

So, there is quite a wide range of programs that we are looking at, primarily in the field of non-renewable resources. We will be looking to this part of the department to help the mining task force that the member for Mayo spoke of, and also the economic development council. So, there is going to be quite a few things in the mill, over the course of this coming year.

**Mr. Byblow:** One of the problems or concerns brought to my attention about this branch is, in fact, the dissemination of information. This branch is one of the most important branches that deals with the statistical data preparation on which economic decisions and forecasting is made.

Quite often, the branch is producing information, has it available, but it is not known that it is available. I am wondering, just from the public point of view, what kind of a process would the minister advise so that we can be kept regularly informed of some of this information — and very useful material — that is being produced by the branch?

**Hon. Mr. Lang:** I do not know. We release the spatial index for the general public, on quarterly basis, as you know. Any other information, to my knowledge, is made available to the general public. I have not had any complaints, as an MLA. I think the member opposite would have to be a little bit more specific, with respect to exactly what he was looking for. I have had no one come to the office I am in requesting information or complaining that they

could not get information.

As far as I know, they are as open as the possibly can be. I know that people go down to the department and discuss various ideas with them and what is available, either through the territorial or the federal government. In fact, I get a number of compliments about how helpful the staff has been.

So, that is all I can weigh it by. If you have a specific problem that you want to deal with, for information, I would be more than happy to meet with you and find out what the problem is.

**Mr. Byblow:** Does the branch produce any kind of an index of its reporting?

**Hon. Mr. Lang:** I do not believe we have an index, per se. I do know that we have a library in place, within the department, where all that information is available. I think one would have to be specific of what information they were looking for.

I do know that we did, for example, a consolidation of statistical files. I do not really know what that entails, but it is there. I think it is a question of asking for specific information and, if we have it, we will provide it.

**Mr. Byblow:** The issue surrounds the publication for public consumption of information. The branch produces quite regular reports relating to economic indicators. It produces the quarterly report of the economic review and the spatial index that the minister refers to.

Quite often there is an ongoing need to have regular and current material relative to various economic sectors, whether they relate to housing or whether they relate to employment, and these are being done on a fairly regular basis by the branch, on a monthly basis. The concern brought to my attention was that it is not known publicly that this information is available at the branch. I suppose, in part, it is a matter of directing them to the branch, but I suppose the only suggestion I have to the minister, and we can leave it there, is that it would appear to be useful for the branch to provide some kind of indexing or some kind of summary of their production activities relating to the research that they are doing on a regular basis.

#### *On Research and Planning*

*Research and Planning in the amount of \$472,000 agreed to*

*On Small Business Development*

*Small Business Development in the amount of \$241,000 agreed to*

**Mr. McDonald:** Before we clear this, there are no previous figures from which to base increases, yet we see an increase of 43 percent in total in this one branch. That is reflected in the change in both expenditures and allotment totals. I wonder if the minister could explain the logics of this increase?

**Hon. Mr. Lang:** We have had an addition of a small business development officer to this particular branch. I think it is safe to say that there was some internal organization, as far as manpower was concerned within the department, as a result of intergovernmental affairs going out. Those would be the two areas for the obvious increases that the member is referring to.

**Mr. McDonald:** So, the minister is saying that the organizational change plus the addition of one person-year accounts for the \$215,000? Let the records show that the minister nodded his head in assent.

*Economic Research and Planning in the amount of \$713,000 agreed to*

#### *On Major Projects*

**Mr. Byblow:** The minister owes to us some explanation of this new item.

**Hon. Mr. Lang:** This is not a new item; perhaps it is highlighted in a different manner. As you know, over the past three years, we have been dealing directly with the Beaufort Sea and the implications of that project to Yukon, and this is largely the area of the department that is involved in projects of this magnitude. If there are any other major projects in the offing as far as the territory is concerned that are looking for information, this is the side of the department that would be directly involved with respect to contact with them: industry and government contact. I do not know what more I have to add other than the fact that I think it has been very positive for us in the territory. We have some very good people

working in this particular side of the department. I think the consequences of it have been very self-evident in the fact that we have in the neighbourhood of 120-odd people working in both the Beaufort and Norman Wells and it is largely the result of this particular part of the department.

<sup>20</sup> Also, people are getting the opportunity to bid on jobs, in these particular major projects, from Yukon, which is positive, as well. Therefore, I think it is money well spent and we should be involved in things of this nature. I just want to say that I, as the minister responsible, have a great deal of confidence in this particular area, because of the obvious results that it has borne, to date.

**Mr. Byblow:** The minister drew reference to the Beaufort, as a project under which this line item would have funding identified. From the anticipated activities of this government, this coming year, what will be the major project money expenditure?

For example, there is the \$20,000 identified under "other". Is it funding of a particular project, or is that just held in abeyance, as required? I realize that \$95,000 reflects personnel, so that would pay two people their wages, and only \$20,000 is identified for project money. The minister identified that, in previous years, from this line item would have been some funding towards developing some stance or some marketing relating to the Beaufort. What will this \$20,000 do?

**Hon. Mr. Lang:** It is largely travel expenditures for the individuals involved. It is essential that we keep a high profile, both with the Government of Canada and the proponents, in these particular projects, in order to ensure that, if something comes up, Yukon is going to be involved.

As for marketing, and this type of thing, and as far as the business opportunities are concerned, this side of the department works very closely with the research and planning unit, as well. It is a very small department and I think it is our intention to keep it relatively small, so that you have a close cohesiveness, so that they are working closely together to provide services to the general public.

**Mr. Byblow:** I have one closing question on the Beaufort prospects. Is the minister satisfied that Whitehorse has secured a reasonable access to business opportunity for whatever little is available, at this time, in the Beaufort, as a result of some of the initiatives that have been undertaken, collectively, by industry and government, reflecting in the directory that was produced, in the trip or two that had been made? Has there been anything precipitating back to the business community, at large?

I ask this because, in some studies and reports surrounding the Beaufort, fairly clear statements are made that Calgary and Edmonton are staging areas for those operations and a community such as Whitehorse has a mere minimal opportunity to bid into it. Has the minister any evidence that we have been successful in our efforts to tap into some of that market?

**Hon. Mr. Lang:** My opening remarks on economic development indicated that our statistics indicate between \$6 million and \$7 million worth of business to the business community within Whitehorse was made available over the past year. So, obviously, we were successful. We have 120-odd people working there and, hopefully, that will increase. That is why we are trying to maintain and, if possible, increase our presence, because we believe there is a potential there.

Now, the only cautionary note I will make is that this summer is going to be a very major summer, as far as the Beaufort Sea development is concerned. The consequences of whether or not they do hit a major deposit of oil is going to have a major bearing on the future prospects of that particular area. As you know, it is a very high cost, as far as exploration is concerned.

I think it is safe to say, from my working knowledge of the people involved in the Beaufort Sea and from the mid-management to top management, they are very pleased with Yukon and the attitude that we have taken as a government and as a business community. We are not asking for handouts and we have no call to ask for handouts.

<sup>21</sup> What we want is equal opportunities. They have been very pleased with the business community, because they have not only provided, where possible, a service but at a competitive price.

Secondly, with the employees who they have got out of Yukon, they find that they are very good, very highly qualified, and therefore, if they are going to increase their work force, they are definitely going to come to Yukon for that work force if they possibly can.

I think that we have been positive with industry and with the federal government. It is a shame, and I do not want to dwell in it, that further developments on our North Slope had not proceeded. That is a setback for us and for the Beaufort Sea, I believe, as far as development is concerned. That is water under the bridge but, as far as I am concerned, I think we are doing everything we can to be actively involved. All I can say is that in my conversations, which I am sure the member opposite perhaps has had, overall they are pleased with the efforts that our government has gone forward with, and not only through this department, or the Department of Education, or of highways, the various other programs that we deliver as far as providing training and access and that type of thing.

*Major Projects in the amount of \$115,000 agreed to*

#### *On Northern Hydrocarbon Planning*

**Mr. Byblow:** Before we clear the entire department, which we will be going into next, could the minister explain what has occurred to increase the person-year establishment from 21 to 24?

**Hon. Mr. Lang:** I gave a breakdown in my opening remarks. We had a .5 transfer from Executive Council in exchange for person-year clerical during the re-alignment of the two departments. We have a new position in the business development officer for that program. We also have two people involved, an engineer and an auditor, for internal energy conservation program we are doing within government for government buildings. Also, we have two person-years for the purposes of the energy programs, and I intend to bring forward a bill for your consideration as far as the terms and conditions of those capital dollars we allocated last fall.

*Northern Hydrocarbon Planning in the amount of \$1.00 agreed to*

#### *Department of Economic Development in the amount of \$2,777,000 agreed to*

**Mr. McDonald:** On page 58, not only are expenditure recoveries addressed, but there are also grants, contributions, and other transfer payments, in the neighbourhood of \$10,000 for the Yukon Chambers of Commerce and Mines. I was wondering if the minister could just clarify what basis organizations receive grant funding. I am thinking specifically of other territorial organizations that might act as a catalyst for economic problem solving. Perhaps the minister could just explain why these organizations and not another organization, for example, the Yukon Livestock and Agricultural Association, why these organizations get grant funding and the others do not.

**Hon. Mr. Lang:** We try to keep it down as far as allocation of direct dollars toward organizations. The idea of the \$6,000 for the Yukon Chamber of Commerce was that if it becomes truly a Yukon Chamber of Commerce, we would support that from a regional point of business organizations getting together on a regular basis to discuss their problems, to come forward with government and present them.

The Yukon Chamber of Mines' grant is an historical grant that we have given in recognition of the importance of the mining industry to Yukon. The Agricultural Association that we referred to has indicated that we have \$10,000 in our capital budget to put forward to various programs that they have brought recommendations forward on and perhaps we should be involved in.

At the present time, I should say that these are the only organizations that we actually grant upfront dollars to and it is very selective because otherwise we are going to be paying organizations to be organizations. We have to be careful from that point of view.

<sup>22</sup> **Mr. McDonald:** I would agree with that assessment, however, I am still having a problem delineating the reasons why these organizations get them, even if it is an historic allotment, and why organizations that I believe are as worthy, such as the Yukon Livestock and Agricultural Association, do not get them. I will

certainly be prepared, during the municipal and community affairs estimate, to delve a little more deeply into the requests for grant funding made by the Yukon Livestock and Agricultural Association.

**Hon. Mr. Lang:** I just want to, for the record, clarify this. We ask them to do certain things on our behalf. It is not just strictly an outward grant, and we say we will never see you again. They provide us with certain information, if requested. The Chamber of Commerce, for an example, was very much involved in the audiovisual programs and, in fact, put money forward. They put up money for the operation and maintenance of the T C Richards Building. So it is not an up and up front grant in that those people do not provide anything of any nature as far as the general public is concerned.

I just want to make clear, for the record, that there has to be a good reason for why we are giving grants and secondly what these particular organizations are prepared to do as far as the general public is concerned. I do not know, but I think the member opposite would agree that both of these organizations are very prominent as far as the territory is concerned and I think it would be very detrimental if we did not help them continue. As I indicated, especially with the Chamber of Commerce, we are looking at further thoughts of marketing, and this type of thing, and the business community has to be involved.

**Mr. McDonald:** The alternates to the grants to both the Chamber of Commerce and the Yukon Chamber of Mines, I believe, are generally considered, and I consider them to be, money well spent. The issue regarding other organizations, such as the Yukon Livestock and Agricultural Association, is that — and I do not want to debate it at great length now but just briefly — the case that they made was that the government was having considerable trouble coming out with policy that they believed was necessary and they were going to provide themselves as the catalysts for that kind of problem solving. Therefore, they felt that, because there was a void there that they were prepared to fill, it would be in everybody's best interest to allow them to perform that role and perhaps a little funding would help expedite the role they thought they should be playing.

**Mr. Chairman:** We shall recess until nine o'clock.

*Recess*

24 **Mr. Chairman:** Committee will come to order.

#### **On Department of Finance**

**Hon. Mr. Pearson:** We are now going to be dealing with one of the more exciting departments of this government, when it comes to this House. My colleague, the Minister of Education, is coughing; I do not know what from.

This budget reflects four new person-years in the budget and I would like to take a couple of moments to highlight those new person-years and what has transpired over the course of the past year and what we perceive happening in the future.

Our administration branch should continue to function with very, very little change. In the accounting branch, we will have two of those new person-years: one will be a payroll clerk and the other an accounts payable clerk. The other difference that shows up in the department is primarily as a result of a vacancy that we had in the manager of financial information position for a large portion of last year.

With respect to the taxation and money management branch, changes are indicated by an increase in our fiscal agent fees of some \$20,000, this year over last; normal increases of approximately \$10,000, in other expenditures; and one new person-year, in the personage of a secretary in that branch.

In the budget bureau, we managed, with a tremendous amount of work and an awful lot of dedication by the employees involved, to get our capital plan — our much sought after capital plan — on the way to Ottawa, late in the fiscal year. That plan has necessitated the hiring of a capital analyst, which will be a new permanent position, as well.

25 In fiscal relations, there is not much change. We had a position

vacancy for a majority of the year and that probably would look after that change. In program analysis, we have \$50,000 of what I refer to as new money for program evaluation in this particular department.

So, I think that pretty well outlines the changes, branch-by-branch, as they are reflected in the budget.

**Mr. Penikett:** All I can say is that it is a good thing, when we have such an exciting department as this, that we have a couple of exciting guys to deal with it.

I do not have any, if you like, big philosophical or grand ideological questions that I wanted to pursue with the government leader. Some of the more general discussion took place, in a relatively amicable way, in the general debate at the beginning of the mains. I think I will satisfy myself by asking a few questions, which, I hope, will elicit some elaboration from the government leader, with respect to some of his remarks, both today and the ones he made the other day, at the beginning of the committee stage. Could the government leader expand on his answer, the other day, about formula financing?

26 At what point does he expects we shall be locked into a formula and what change, if any, that would have in the way we look at this department's estimates in the estimates book? The other day, he mentioned the problem, which I am sure we all understand, about the difficulty in establishing the appropriate or optimum base year from our point of view. Could the government leader, while we are discussing the finance department, expand a little bit on that subject and the negotiations that have been going on with Ottawa about that fact?

**Hon. Mr. Pearson:** Strangely enough, I would guess that probably formula financing will affect this department and the other service departments least of all. In fact, I believe formula financing will have the greatest impact in the final analysis upon programming departments. I think we face the possibility of being locked into a formula in fiscal 1985-86. The federal government, the Department of Indian Affairs and Northern Development, the bureaucracy in the Department of Indian Affairs and Northern Development, are very anxious to get us into formula financing. We are anxious to get there too, providing it is what we consider to be a reasonable deal and one that we can foreseeably live with in the future, because it will allow us to do long-range planning. It will allow us to plan more than a year in advance. At the present time, we just simply cannot do any long-range planning because we do not know what the results of the intergovernmental committee negotiations, which are conducted so ably by the Deputy Minister of Finance, are going to be until the year prior to having to put the budget together.

27 With a formula, we should be able to get into five-year projections without very much trouble at all. There will be adjustments every year, but there always are adjustments in government. Those adjustments would be constant. They will have to be connected to the economy of the country generally. That way, we should be able to roll with those kinds of punches.

At the present time, with the IGC negotiations, it in one way is a nice way to be financed because, in theory, you can never run out of money as you can always go and ask for more. I believe that, from a responsible government point of view, formula financing has really got to be the answer.

Along with formula financing, we are going to have to get identified methods of financing in this territory. We are going to have to make deals with the Government of Canada in respect to renewable resources and in respect to non-renewable resources, and in respect to the base financing of this territory. Those kinds of things are going to have to be worked out.

**Mr. Penikett:** I thank the government leader for his answer. Some of my colleagues may have further questions on that subject. Let me skip on to another area of general interest in this department.

28 Some time ago, we were still experiencing some problems with the payroll system, in that we had a partially manual system that still had not been completely gone over to a computerized system. Could the government leader give any report as to how the new system is functioning and whether there are any problems?

**Hon. Mr. Pearson:** The new system is functioning and, I believe, functioning quite well, now. However, we are still faced with a problem in payroll. When we went on the nine-day fortnight, the one thing that we did not foresee was small units or small branches, like the payroll function of the territorial government. Their workload did not decrease, but what we were doing was cutting back their work time by 10 percent. We got into quite a hole because, for quite a long time, we insisted that they work on the nine-day fortnight and then we had to put them on overtime, in order to not only keep up but to catch up.

We have felt for a long time that we were short of staff in that payroll department. We anticipate putting in one more payroll clerk and, hopefully, that, along with the mechanized or computerized payroll system in place. It does some funny things, once in awhile, but then all of them do. There are bugs in the system that have to be worked out, but I believe that, on the whole, the department is fairly satisfied that the system is a good one. It is a sound one. It was the right decision to make and, eventually, it will pay off for everyone.

**Mr. Penikett:** At one time we MLAs used to hear from people in the fall who had been summer casuals and had complaints about late payment of, I guess, overtime money. I do not understand exactly the problem, but there was some problem in the way the accounting system worked. Is that problem substantially resolved or shall we expect to hear from them again?

**Hon. Mr. Pearson:** It will be substantially resolved, although we will all hear from some. But once again, as soon as you do hear from them, if you get in touch with the finance department or myself as the responsible minister, once we have got a specific it is fairly easy to chase down that specific quite quickly and get something done. Every once in a while it is difficult. Every once in a while one of the payroll sheets falls through the cracks someplace along the way. No amount of mechanization or computerization can avoid that happening. We do have the human errors that still occur as well. But I believe it will be minimized to a large degree now. I think one of the instances the leader of the opposition is talking about is that we actually had a computer breakdown just at a vital time. We had thousands of cheques in the mix and we could not get them out, all of a sudden. It caused some delay. It was a hardship, particularly to the students, and we try to avoid it however we can.

**Mr. Penikett:** At the beginning of the life of the last legislature, a number of us were hearing some complaints about late payments to businesses and services from this government. I must confess we have not heard much about that recently, but I wonder if the government leader could indicate to us what the turnaround time is on accounts payable now?

**Hon. Mr. Pearson:** We have tried very hard to get to 30 days, and one of the new people here in fact is an accounts payable clerk. We are also going to be, over the course of the next couple of years, disseminating some more of the accounts certifiable work into the departments. We are trying to eliminate more and more of the centralized paperwork, thinking that if we can get it done in the departments then we can speed it up more. Our objective then, to my knowledge, and we are generally meeting it now, is 30 days. Once again, if you have someone who says to you, "I haven't been paid for 60 days", for heaven's sake give us a telephone call, because there is something drastically wrong then and we should be told about it right away so that we can find out.

**Mr. Penikett:** Another thing we spent some time discussing in the life of the last legislature, but not in this one, was an internal government problem of the quality and timeliness of some of the variance reports from the department. If I may recall for the government leader, part of the problem then seemed to be whether there were trained or qualified enough finance officers in some of the line departments; something for which the finance department had a kind of implied responsibility, even though not a direct responsibility, in the sense that they were now sitting or there was going to be a finance officer represent them on the PSC committees. Of course one would expect, in a mature government in fact, many of the finance officers in the departments to have spent at least part of their life in the Department of Finance in this government or some other government.

10 Could I ask the government leader if there is any continuing problem in that area and, if his answer is very short, if he might then go on to the other problem that the Department of Finance had a few years back, which was the problem of recruiting, training, and retaining staff. The economy is a very different animal than it was a few years ago and that, of course, might have stabilized his staff quite a lot. If that is the case, I would like to hear so from the government leader.

**Hon. Mr. Pearson:** If I can answer the last half of the question first, we have had a dramatic change in the last year and a half or two years in the Department of Finance in the length of time people are staying there and working there. Of the number of people whom we have on staff, we do not have the large number of vacancies that we used to have. We have been very fortunate in being able to hire some highly qualified, very competent people in all of these branches. I believe that it has shown in the makeup of this budget that is in front of you today.

In respect to variance reports, I have noticed that variance reports are much more timely now. I believe that that is because of the liaison work that is being done between the Department of Finance and the other departments. That has been done, again, in a very difficult year because we, as a Department of Finance, have put some extraordinary demands in this particular year upon the program departments in particular, with respect to the putting together of this capital plan. It has taken a tremendous amount of work by all of the departments and the administrative people in the department. The ones who actually crunch the numbers are really to be congratulated for getting that work done and being able to keep up with the other work as well. I think it speaks well for the public service, and especially for the administrators in the departments. They have done a very good job.

In fact, I know we do not experience the same kind of delays in respect to variance reports that we did. Another thing that has helped too is that slowly we are getting computerized. More and more departments and more and more of the work is getting put on computers and we are able to get that work out and get reports out quicker, as a result of that.

**Mr. Penikett:** I wonder if I could ask an even more general question and invite the government leader to be as garrulous and dispersive as he can be, and that is in respect to the question of the new *Financial Administration Act*. The act itself — the proclamation of it — is new and its legitimate life has not been that long. However, there are some elements of that financial management scheme with which the government has had several months of experience, such as the management board system. The government has also had some experience with revolving funds, one of which we have already raised the statutory limit on, even though the act is not that old.

11 There is, to my question, at least about the management board, both a constitutional aspect to the question and also a purely administrative one. Perhaps the best known management board is that of Ontario, which is a vastly different enterprise than this one. In fact, it is the chairman or the president of the management board — I forget what that Cabinet minister is called — but, in the Ontario government, he is a very, very significant individual and has, well, not a lot to say during Question Period, but has a lot to say about what goes on in the government. Clearly, this is a different model or a less complex model, but one that is constitutionally neat, in that it co-opts into the Cabinet system the statutory powers of the treasurer and the Commissioner, quite neatly.

Also, because of that, it is an unusual creature and I wondered if the government leader might share with the House, as Minister of Finance, some of his experiences with that board and its functions, under the new act, and whether it is going the way he thought it would go, or is it working the way he hoped it would? Is he having any second thoughts or contemplating any changes in the near future?

**Hon. Mr. Pearson:** I think I should start out by saying that the Chairman of our local management board is a figure of no small stature, either.

Of course, I am a strong believer, a firm believer, in the

management board style of government. I believe it is the only way you can get responsible government. I do not think the *Financial Administration Act* has had any major impacts upon the government itself. It does have, though, very significant impacts upon us, constitutionally, as the leader of the opposition has pointed out, because it has removed the awesome powers of the treasurer, under the old *Financial Administration Act* — or, a combination of the Commissioner and treasurer, under the old *Financial Administration Act* — and put those powers, virtually exclusively, in the hands of management board.

Now, management board, I am sure you are all aware, is a board that is comprised of both politicians and administration people, so it is truly a government board and its responsibility is the management of the money. It is still Cabinet that makes the policy decisions and, in fact, Cabinet who, in the final analysis, make the decisions as to how much money is going to be spent. However, it is management board that decides the allocations and the amounts of money that is going to be spent at any specific time.

It is a different style of government, as there are decisions that have to be taken in a bit different manner. It will take a bit of getting used to, particularly for politicians on this side, who are fairly long in the tooth and who are quite used to working under the other system. I think, for newer ministers, it is a pretty comfortable way to deal with it, because the old system has to be incomprehensible to them.

It was a very complicated, convoluted type of system.

All in all, I believe that the *Financial Administration Act* will probably be one of the most significant pieces of legislation that this government has had to deal with, from strictly a government point of view. I do not think there is any doubt about that. It has become the cornerstone of our constitutional march. It is a major stepping-stone, with respect to responsible government and I think it is going to bode well for the territory, for a long, long time, in the future.

**Mr. Penikett:** Has Ottawa had any second thoughts or late night doubts about the new *Financial Administration Act*? If there has been any concern from that quarter, would the government leader let us in on that secret?

While I am talking about Ottawa, though, this would be a good time to ask the government leader if he could indicate to us what he believes will be the implementation date of the new capital plan, which he referred to in his opening remarks?

**Hon. Mr. Pearson:** With respect to Ottawa, to our knowledge, they have no doubts at all. Of course, we were a long time — a couple of years — in the making, with that particular piece of legislation and Ottawa was very much involved with it, all the way down the line. It was very, very carefully done and, I think, quite constructively done. As far as I know, there is just no reason for Ottawa to have any kind of doubts, at all, about the piece of legislation.

The capital plan, I understand, is being held up at the moment. We always seem to run into this problem with bureaucrats in Ottawa, who seem to think that they have to deal with the Northwest Territories and Yukon as one entity, or on some specific things, at one time.

The last I heard was "thank you very much for your capital plan; we appreciate receiving it from you" — this is after, I swear, something like four years of batting me across the knuckles for not getting this thing into them — "but we have not got the NWT's yet, so we are going to set yours aside until we get theirs".

Now, hopefully, we can talk them out of that, because our capital estimates for this year, to a large degree, were predicated upon that capital plan. We could not help doing that. I mean, we knew what we had in the capital plan and we put together a capital estimate, this year, predicated, to a large degree, upon that capital plan. If it does not fly sometime in the very near future then, of course, we are going to have to take a step back and rethink our capital for next year, again, because it would be quite a bit different without the capital plan. Funds would just not be available.

With respect, I would suggest that we report progress on Bill No. 12, at this time.

**Mr. Chairman:** You have heard the motion, do you agree?

*Motion agreed to*

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

*Motion agreed to*

*Mr. Speaker resumes the Chair*

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

**Mr. Brewster:** The Committee of the Whole has considered Bill No. 12, *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. tomorrow.

*The House adjourned at 9:28 p.m.*

**The following Legislative Return was tabled May 7, 1984:**

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Cabinet Minister travel — 1983-84 (Pearson) W.Q. No. 1

