



The Yukon Legislative Assembly

Number 30

4th Session

25th Legislature

HANSARD

Thursday, May 10, 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 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

Thursday, May 10, 1984 - 1:30 p.m.

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

Prayers

DAILY ROUTINE

Mr. Speaker: We will proceed to the Order Paper. Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Ashley: I have for tabling an answer to a question raised by the member for Whitehorse North Centre, May 7th, regarding the Alexander Street Lodge.

I have also, from April 5th, a reply to a written question by the member for Whitehorse South Centre on the Liquor Corporation. I have a written reply for another one, the same date, April 5th, on the Liquor Corporation.

Mr. Penikett: I have for tabling a copy of letter from Governor Bill Sheffield to Senator Frank H. Murkowski, of the United States Senate, concerning the White Pass Railway and the Skagway Road.

Mr. Speaker: Are there any further documents for tabling?
 Reports of committees?

PRESENTING REPORTS OF COMMITTEES

Mr. Brewster: I move that the Fourth Report of the Standing Committee on Statutory Instruments presented to the House on May 10th, 1984 be concurred in.

Mr. Speaker: Are there any further reports of committee?
 Petitions?
 Introduction of bills?

INTRODUCTION OF BILLS**Bill No. 34: First Reading**

Hon. Mr. Pearson: I move that Bill No. 34, entitled *Legislative Assembly Retirement Allowances Act*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the hon. government leader that a bill, entitled *Legislative Assembly Retirement Allowances Act*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: Notices of motion for the production of papers?
 Notices of motion?
 Statements by ministers?
 Oral questions?

QUESTION PERIOD**Question re: French language**

Mr. Byblow: I have a question for the Minister of Education. The minister has previously advised that she is considering program cadre requested by the Franco Yukonais association in conjunction with all the other French programs currently in place in the school program. Franco Yukonais insists on the other hand that their request is to be considered separate from other programs given their constitutional right to French language instruction. How does the minister justify or reconcile her position of lumping program cadre in with the other programs?

Hon. Mrs. Firth: Program cadre would be a new program that would be established in Yukon school systems just as any other new program. It will require similar analysis as would other programs that we are considering.

Mr. Byblow: The minister did not give me a satisfactory

answer, so let me ask her again: is the program cadre being considered separate and by itself, as the request was made by Franco Yukonais?

Hon. Mrs. Firth: In a particular sense.

Mr. Byblow: Perhaps the minister would like to elaborate on what particular sense?

Hon. Mrs. Firth: Not at this time, until I have had an opportunity to discuss that with the new executive of the Franco Yukonais.

Question re: Sex education

Mr. Kimmerly: Also, for the Minister of Education, a very interesting question on sex education. Has the government, now, a policy on the inclusion of sex education in the school curriculum?

Hon. Mrs. Firth: I believe sex education is taught, through the guidance program, in the schools.

Mr. Kimmerly: I take it the government policy is in favour of inclusion of sex education in the curriculum. At what grade level does this sex education start?

Hon. Mrs. Firth: I cannot give him the exact grade at which it starts. I believe it is in the junior high grades. It is a program that is taught in the guidance course, as I said before, and at the discretion of the school committee of the particular school, with parental involvement and so on. The policy is not so rigid and set that the Department of Education, within the government, says sex education will be taught and that is the end of the discussion.

Mr. Kimmerly: Are family planning concepts and methods part of the instruction?

Hon. Mrs. Firth: I am not familiar with all of the details of the course. If the member for Whitehorse South Centre would like me to get more elaborate details of the program, I can get that for him. He nods his head very enthusiastically. I would just like to advise the member for Whitehorse South Centre that he is too old to enroll; he is not eligible.

Question re: Watson Lake petition

Mr. Porter: We should also note the enthusiasm with which the hon. minister answered the questions.

I have some questions for her, as well. In this past winter, the minister received a resolution from Watson Lake, endorsed by the Watson Lake School Committee, to institute an extended core program in French, starting at the kindergarten level. How has the minister responded to that request?

Hon. Mrs. Firth: The request did not come to me. It went to the department in the form of a petition. I did not see the petition. It was handled by the department officials, but not in a formal way. The regional superintendent went to Watson Lake and had some discussions with the people in Watson Lake.

Mr. Porter: Further to the public meeting that the department officials conducted in Watson Lake, has the department put on record in writing, their position as to the request?

Hon. Mrs. Firth: I received a letter last Friday from the Watson Lake School Committee expressing a concern that it had not heard from me. I have asked the department officials to draft a reply to them and the regional superintendent will be back in Watson Lake, if he has not already gone, to have another meeting. The official did not respond in writing and, I believe, that indicated to the people that, perhaps, they did not get an adequate response.

Mr. Porter: Can the community of Watson Lake expect a decision on this issue by the government by the school year of 1984-85?

Hon. Mrs. Firth: I am not able to give that commitment right now. We have several studies that are going on in the department relating to French language. I am not able to give an answer for that question.

Question re: Old Crow gas supply

Mrs. Nukon: My question is to the government leader. The people of Old Crow are facing a very serious situation because our gas supply will soon be gone and there is no way the Old Crow Co-op can bring in more fuel without assistance. Does the Yukon government have any plans to help the people of Old Crow

overcome this situation?

Hon. Mr. Pearson: We have been, for the past week or two since this issue was raised, working very actively with the two branches of the Department of Indian Affairs and Northern Development, specifically Indian and Inuit Affairs and Northern Affairs, trying to determine at the bureaucratic level whether there was anything that the federal government might be doing to help alleviate the situation. We have determined that at that level there does not seem to be any movement at all in respect to the federal government. We have taken it upon ourselves, this morning, to undertake to get the two tanks that have to be moved, moved to a safe location, a location that will satisfy the fire marshal. Then, the problem is going to be Old Crow being able to purchase the fuel that it so desperately needs.

It is anticipated that we will contact the Minister of Indian Affairs and Northern Development and see whether there is anything that the Department of Indian Affairs can do to, hopefully, to get another 10,000 gallons of storage capability into Old Crow, if that is what is needed, as well as pay for the gas, in the initial instance, upon delivery. The people of Old Crow, of course, do not have enough money in their coffers, as a result of the seizure of their funds by Revenue Canada, to pay for the gas.

So, we are actively working on it. We are engaged, right at this point in time, in the process of moving the tanks to get them set up. They will allow at least 15,000 gallons of gasoline to be able to be delivered and I am quite confident that we will be able to, at least, get that 15,000 gallons into Old Crow. If we can get a full year's supply in with the Herc, of course, that would be the best possible solution for everyone involved.

Question re: Crime rates in Yukon schools

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

I understand that, during a school term, a number of crimes are committed in some of our schools. Can the minister tell us if any statistics are kept as to the crime rate in Yukon schools?

Hon. Mrs. Firth: Not that I am aware of.

Mrs. Joe: Can the minister tell us what action is taken with regard to a complaint to principal or a teacher, such as stealing? Does the school notify the police or does the victim have to do that, himself?

Hon. Mrs. Firth: If a complaint was registered to a school that something of the school property had been stolen, the principal would be notified and he would be in touch with the Department of Education to seek advice as to what the next step would be. Depending on the circumstances of the situation, the people involved, the child and the parents would be consulted.

It is kind of hypothetical to say exactly what would happen, because we like to treat each instance — if there have been any instances, and I have not been made aware of any — on an individual basis, in order to avoid having a set routine that may actually not be appropriate for such an offense.

Mrs. Joe: Also with regard to the crime rate in schools: it is a well known fact that non-prescription drugs are being sold and used in Yukon schools. What action is the minister's department taking to deal with this problem?

Hon. Mrs. Firth: It is a pretty strong accusation that it is a well known that this is happening. I have been aware of some instances that have been brought to my attention — that there is a possibility that this is occurring — but I have never had conclusive proof. Now, if the member opposite can give me some particular instance, or indicate to me that this has actually happened, I would appreciate that.

Question re: School boards

Mr. McDonald: I have a question, as well, for the Minister of Education. Recently, at the education conference held at the Whitehorse Ski Chalet, a successful resolution called on the Yukon Education Council and the Department of Education to develop a plan that would detail various implications of establishing school boards. Has the government made a decision as to whether or not it will comply with the resolution?

Hon. Mrs. Firth: No, we have not.

Mr. McDonald: Is it the position of the government that any school board, with the power to make final decisions regarding educational expenditures, should have the responsibility, at the same time, to levy or set tax rates to meet all or some of the educational costs?

Hon. Mrs. Firth: If the department were to consider the establishment of school boards, we would have to take that into consideration.

Mr. McDonald: In discussing various school board models, is it the position of the government that a school board should have the responsibility for all schools in the territory or that there should be regional school boards to handle regional needs and concerns?

Hon. Mrs. Firth: That is something else that would have to be taken into consideration.

Question re: Science content in Yukon schools

Mr. Penikett: I have a question for the Minister of Education. A recent study by the Science Council of Canada reports that, in most Canadian jurisdictions, only one science course beyond grade nine is required for high school graduation; the exception being Manitoba, which requires two. Could the minister tell me how many science courses beyond the grade nine level are required for graduation from Yukon high schools?

Hon. Mrs. Firth: No, I cannot.

Mr. Penikett: The Science Council has, in one of its widely publicized recommendations recently, suggested that 15 percent of the school program be devoted to science studies. Is the minister aware of what proportion of the school day is spent on the study of science in Yukon schools and has she, as yet, had an opportunity to consider any position in response to the Science Council recommendation?

Hon. Mrs. Firth: No, I cannot give the percentage of class time that is spent in science. The Department of Education is reviewing the report that the Science Council of Canada presented. They have not completed that review yet. When they do, we will be making some assessments as to the quality and quantity of science education that we are providing in Yukon.

Mr. Penikett: The Science Council study also emphasized the importance of placing science studies in the Canadian context and, as well, of relating science to the unique local environment. In this respect, it has singled out the curriculum of the Northwest Territories as the one noteworthy example in the country. Has the minister, or her department, studied the NWT science curriculum in terms of its local relevance, or does she plan to?

Hon. Mrs. Firth: We have not made a point of studying it, but I would assume that it would be the same as Alberta's, since NWT follows, somewhat, the Alberta curriculum.

Question re: Computer science courses in Yukon College

Mr. Byblow: I have a question, also, for the Minister of Education — it must be her day.

A resolution passed by the recent school committee conference, called for the Department of Education to offer university recognized credit courses in computer science through Yukon College. Does the minister's department support, in principle, this resolution?

Hon. Mrs. Firth: Yes.

Mr. Byblow: Since the resolution called for the establishment of such a program to permit teacher upgrading this summer, can the minister tell the House what investigation she is doing to see if the course can be offered in time for teachers to take advantage of it, in light of the computer program being put in place in the school system?

Mr. Speaker: Is the hon. member asking a question or making a representation?

Mr. Byblow: I asked the minister if she was doing an investigation.

Mr. Speaker: Fine.

Hon. Mrs. Firth: I have the resolution in front of me. I believe the department had already made some plans. We have a computer program that will be in Yukon College this summer. The mandate of this kind of request, really, is not within the school committee

conference, it is something that is looked at at Yukon College and in the post-secondary education, with input from the Yukon Teachers' Association, as far as upgrading of the teachers is concerned. However, we have already investigated that and we have a computer course that is going to be offered at Yukon College this summer.

Mr. Byblow: Since the minister is advising me that the course will be offered, can the minister also state whether or not any assistance will be provided to those teachers who wish to give up their summer to take the upgrading?

Hon. Mrs. Firth: I am not able to say, at this time.

Question re: Psychologist in Department of Education

Mr. Kimmerly: This year's school committee conference called for the hiring of a resident psychologist by the Department of Education. Can the minister tell the House what consideration has been given to this request and if a decision has now been made?

Hon. Mrs. Firth: This is a decision that will have to be made when we do the 1985-86 mains for the operating and maintenance budget.

Mr. Kimmerly: Does the Department of Education maintain statistics regarding the number of students who are currently being referred for psychological counselling?

Hon. Mrs. Firth: I do not know if we do, for sure; I cannot even guess. I know there would be a record available from the psychologist, since there is only one psychologist in Yukon who deals with children. I do not know if they have further fine-tuned that to see if there are requests for clinical psychological assessment or just for educational psychological assessment, but I imagine the psychologist in Yukon would have some figures.

Mr. Kimmerly: In the absence of a psychologist in the 1984-85 budget-year, what efforts are made to accommodate the current referrals for psychological counselling?

Hon. Mrs. Firth: We will continue to provide the service that we are providing. We have a special education coordinator and, also, we have the special education coordinator for alternate programs and one for gifted programs. I am sure these people will be able to give that particular counselling that the member for Whitehorse South Centre is referring to.

Question re: Arsenic content in Carcross water

Mr. Falle: I have a question for the Minister of Community Affairs. Does the minister have any more results on the arsenic content level in the water in Carcross.

Hon. Mr. Lang: You may recall that that question was raised approximately a week and a half ago. We have been monitoring the situation. The last results that were brought forward showed that the arsenic levels had dropped considerably to what they had been. We will continue monitoring the situation to ensure that everything is going to be safe and in the best interests of the people of Carcross.

Question re: Daycare facility in Watson Lake School

Mr. Porter: To the Minister of Education. It is my understanding that the minister received a request from the Watson Lake Daycare Association, endorsed by the Watson Lake School Committee, to permit a daycare facility to be located in an empty room of the Watson Lake Elementary School. How has the minister responded to this request?

Hon. Mrs. Firth: We denied the request.

Mr. Porter: Is it the position of this government to heat and maintain empty classrooms, provide daycare subsidies, but not allow a daycare to utilize available empty spaces in the schools, which are public buildings?

Hon. Mrs. Firth: The Department of Education will be utilizing all of the space.

Mr. Porter: Is that the reason that the request was denied in the first place?

Hon. Mrs. Firth: We do not have daycares established in any of the schools and it is not the intention of the Department of Education to start that precedent. We have some uses for that space, within the Department of Education, and we will continue to keep it there.

Question re: Education

Mrs. Joe: I have another question for the Minister of Education. One of the problems identified at an NDP task force meeting on education, by a high school graduate, was the lack of information and knowledge of the importance of taking academic courses as opposed to modified courses. Since officials from the minister's department were at that meeting, has her department acted on that identified problem?

Hon. Mrs. Firth: That may not be a problem. It was a problem in the opinion of that one individual.

Mrs. Joe: It is obvious that they did not take it very seriously. Another problem identified and confirmed by the minister was the socially promoting of students. Are those promotions still taking place?

Hon. Mrs. Firth: I do not know what the member is asking me. Perhaps she could elaborate on the meaning of her terminology?

Mrs. Joe: The term "socially promoting" in schools was identified as passing students who should not have been promoted to the next grade. Are those promotions still taking place?

Hon. Mrs. Firth: I will find out the answer to that question for the member for Whitehorse North Centre.

Question re: Renovations and maintenance in schools

Mr. McDonald: I have a question for the Minister of Education.

The recent education conference, held at the Whitehorse Ski Chalet, passed a resolution that the Department of Education should inform and consult local school committees and confirm in writing when major renovations and maintenance is anticipated or planned. If the minister is looking for it in her book, it is resolution number five. Is the government prepared to comply with this resolution?

Hon. Mrs. Firth: The motion was carried at the school committee conference. We have always had a policy that we would consult school committees when there were going to be major renovations and we will continue on with that policy.

As far as consulting them in writing, we are anticipating that there could be some serious implications regarding capital projects and not having enough time for a lot of written correspondence. However, we are addressing the resolution that was passed and we will be in touch with the school committees when we have a decision.

Mr. McDonald: My supplementary is to ask for clarification of the minister's recent answer. Was the policy of consultation in effect when renovations and maintenance were planned for the Elsa primary school?

Hon. Mrs. Firth: Yes, it was.

Mr. McDonald: That will come as a surprise to the Elsa primary school.

Is it the department's policy to receive annual recommendations from school committees, regarding short-term and long-term capital plans for Yukon schools, in the same manner that municipal and community affairs elicits capital plans from LIDs?

Hon. Mrs. Firth: No.

Question re: Arts program in schools

Mr. Penikett: I have a question for the Minister of Education.

The report of the green paper committee on recreation, which was universally praised, recommended that a comprehensive arts program begin in the school curriculum, using accredited art teachers and contract artists. When will action be taken on this recommendation?

Hon. Mrs. Firth: We have presently in the schools — and the leader of the opposition was asked it when we discussed this in the O&M budget — 3/4 person-years identified for art teachers. We have special art teachers — what we refer to as specialists — in FH Collins school, GA Jeckell, Porter Creek Junior High, Robert Service, Watson Lake secondary and Jack Hulland. The elementary teachers are expected to handle the art curriculum at their grade levels. We also have entered into an agreement that was for a one-year term with the Guild Hall. We funded half a person-year

for it to have an art specialist to go into the schools and give some advice to the drama teachers, and I also understand that the Arts Council is keeping in close communication with the Department of Education to see where, in certain communities, they can provide some additional artistic stimulation for the children.

Mr. Penikett: Believe me, my heart was with the minister when she was talking about this subject. Fortunately, the problem is not that I was absent but I could not get my head around her answer.

On March 28th, I asked the minister if she could advise the House how many full-time art teachers are in the Yukon school system, and she later responded in committee that there were 3/4 person years. I am still curious to know if the minister can tell us if there are any at all, any at all, fulltime art teachers in the Yukon school system?

Hon. Mrs. Firth: There is one fulltime art teacher in the Yukon school system, at GA Jeckell school, for which one person-year is identified.

Mr. Penikett: Another recommendation of the green paper committee on recreation called on the Department of Education to ensure the provision to all teachers of basic arts information as tools in the teaching of humanities. Is the Yukon Territorial Government taking any action on this beyond the arrangements it has made with the Guild Hall and the other information she previously gave us?

Hon. Mrs. Firth: I do not know, but I can find the information for the member.

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Question re: Safety of Del Van Gorder School

Mr. Byblow: I have a couple of constituency questions for the Minister of Education.

Previously, the minister advised me that her department, through an engineering firm, was monitoring the Del Van Gorder School at Faro to ensure that there was no question about the safety of the building for its occupants. Has the minister received any report from EBA Engineering on the facility since they have been engaged to do a study?

Hon. Mrs. Firth: No, we have not received any reports.

Mr. Byblow: Will the minister be making the report publicly available and, in particular, to the school committee?

Hon. Mrs. Firth: We will be making probably certain portions of it available to the school committee. I really do not think that it is necessary to give it to the whole public, but we will certainly be discussing it with the member for Faro — as has been the practice of this government for the past two years — and with the school committee.

Mr. Byblow: I am curious why only selected portions might be presented to the school committee. However, the school committee have advised me that they have not had any communication on the subject from either the department or the engineering firm regarding the safety of the building for the past several months. What is the minister going to do about that?

Hon. Mrs. Firth: I have asked the department officials to contact the school committee. If they have not done so yet, I will ask again.

Question re: School tax rates

Mr. Porter: I have a question to the Minister of Education. School tax rates for homeowners are currently higher than school tax rates paid by businesses. Could the Minister of Education offer a rationale for this difference?

Hon. Mr. Pearson: I think probably I, as the Minister of Finance, should answer that question. After all, it is my responsibility in respect to taxation in the territory. The rationale was one that we put in place last year. It was done specifically as an incentive to the small business people in the territory. If you will recall, the City of Whitehorse chose, at that time, to increase its taxes to sort of offset that incentive. However, this year they have not done that so, hopefully, the small business people in the territory are getting the advantage of that incentive.

Mr. Porter: When is the government going to propose the equalization of school tax rates for homeowners and businesses?

Hon. Mr. Pearson: That has always been our policy and that

still is our policy. In fact, what we did was to provide an incentive that cost this government approximately \$500,000. If we take that incentive off next year, then automatically the school taxes are exactly the same to private dwellings and to businesses.

Question re: Student Assistance Eligibility

Mr. Penikett: Since the minister is so willing today, perhaps I could slip in one last question concerning her ministry.

The minister will recall our representations to suggest a broadening of the eligibility guidelines for student assistance, especially considering some of those who are now ineligible. Has the minister or her department done any analysis to determine the feasibility of extending these grants and aid programs to include longterm residents who are currently eliminated by the present regulations such as the two-year high school rule?

Hon. Mrs. Firth: We have done some reviewing of it. I do not know if it has been as specific as the member is asking but we have done some analysis of what the cost to the Government of Yukon would be were we to open up adult education to being eligible under the grant system. I do not have those figures and I do not know if I would be prepared to release them.

Mr. Penikett: The minister, by not wanting to release them, suggests that they are very small. As the minister is aware, there are a significant number of Yukon born and raised adults who did not attend high school here and who are not eligible for post-secondary aid programs here or anywhere else. What steps does she intend to take to remedy this injustice?

Hon. Mrs. Firth: They are still eligible for some student assistance under the Canada Student Loan Program.

Mr. Penikett: And they would be so if they moved to BC or anywhere else, but that is not the point. Let me ask the minister to be specific, since she is avoiding giving an answer on the previous question. Has the department, as of this date, any reliable estimate of the additional cost of admitting previously ineligible, longterm Yukon residents to the post-secondary aid program?

Hon. Mrs. Firth: No, we do not.

GOVERNMENT BILLS

Bill No. 29: Second Reading

Mr. Clerk: Second reading, Bill No. 29, standing in the name of the hon. Mr. Ashley.

Hon. Mr. Ashley: I move that Bill No. 29, *An Act to Amend the Liquor Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Justice that Bill No. 29 be now read a second time.

Hon. Mr. Ashley: This amendment to the *Liquor Act* deals with the development of recreational facilities as fitness centres. It has been encouraged by all levels of government in Canada. Those facilities have been granted liquor licences by liquor boards across Canada, in order to complement these recreational facilities and encourage their use.

It is proposed, also, to provide for a licence allowing beer and cider in sports stadiums. In the past, this type of activity has been dealt with under the provisions of a special occasion permit, especially for baseball games. With the construction of the new facilities in Takhini, the opportunity arises to establish a proper form of the licence.

The experience of the liquor boards in the provinces in providing liquor lounge seating is in relation to the needs of the users and should not detract significantly from the recreational facilities. We are introducing legislation in response to those recreational facilities with some type of liquor licence to complement these new sports in Yukon. At the same time, we are limiting the number of guests permitted in those recreational facilities, in order not to detract from the spirit of the act.

Under the old territorial *Liquor Ordinance*, it was felt there was a need for the type of liquor outlet that served only beer and cider. As this category of licenced tavern was restricted to the sale of beer and cider, the standards for these premises was considerably lower than that required for a full liquor outlet, i.e. cocktail lounge.

In early 1983, changes were enacted to the territorial *Liquor Act*,

which enable a cocktail lounge to serve draft beer, thus placing them in direct competition with the tavern operators who, until that time, derived the major portion of their income from draft beer sales. The liquor corporation has since received requests from the majority of tavern owners to upgrade their facilities to cocktail lounges, because of the increased pressure from competing cocktail lounges that are now offering draft beer sales.

Unfortunately, the liquor board has not been able to comply with some of these requests due to the requirements carried over from the old *Liquor Ordinance*. The proposed changes in legislation will enable the liquor board to grant cocktail lounge status to those tavern operators who wish to upgrade their facilities, or to allow those operators who are content with their present status to continue on that basis. There are, presently, seven tavern licences held in Yukon and the corporation has already received requests from four of these licencees to upgrade their facilities to the standards now required for a cocktail lounge.

Now that we will no longer license a tavern, it is proposed, also, to provide for a reduction of the number of bedrooms required for new cocktail lounge establishments in remote locations.

Mr. Kimmerly: Let me first put on the record that I, personally, have advised, at one stage or another, both of the facilities that are affected in Whitehorse, although I do not have any conflict or financial interest of any kind and I am not in a position of conflict.

It is important to state that we, on this side, are very much in favour of the principle of this bill and support the principle of the bill.

¹⁵ It is an important principle and it is a beginning recognition of what must be done to change the real effect of the current *Liquor Act*. The *Liquor Act* was passed several years ago with various intents and purposes. The real effect of the *Liquor Act* is to protect existing liquor outlets and liquor establishments and it operates essentially as a restraint of free trade in liquor and it protects the established outlets. It is significant that, on the two applications recently, the Whitehorse Ski Club and the Whitehorse Squash Court, or the Racquetball Court, the established licensees objected on the basis of competition. It is probably good business for them to object. The government appears to be recognizing, albeit in a very small way but a significant way, that the consumption of liquor should occur in civilized circumstances and places such as around sporting clubs, such as the Ski Club and around racquet sports.

We support that. That is a useful step in the evolution of the government's liquor policy. It will be supported by the users of the facilities and supported by the general public, if not the existing tavern owners. The existing tavern owners should not have a small closely-knit monopoly and we are in favour of this particular measure.

It is not, of course, the most pressing amendment necessary to the *Liquor Act* and we look forward to, in sessions to come, debating the real policies and the moral responsibility and the responsibility in the area of health that a liquor board should be recognizing and is not now recognizing.

¹⁶ **Mr. Penikett:** Briefly, I wanted to put on the record my own declaration and my own interest in this question. Potentially, two immediate beneficiaries of this revision are the Whitehorse Chalet, which is in my constituency and the Rendezvous Racquet Court, of which I have become an *habitué*.

I know that these operations have both applied for licences and have received objections from the hotel industry. I believe that proper licences in these two facilities, if I may make this point, are probably necessary to their continued viability and I do not believe, notwithstanding the objections of the hotels, that those liquor outlets need suffer as a result of other recreational facilities such as these becoming licensed.

Need I say, as a veritable trencherman, that I can say with absolute assurance from my point of view that they will not suffer. It seems to me that people who enjoy skiing or squash or racquetball or any of those sports are entitled to a beer or a cider, as the minister says, after their play. I do not think they have the option of going to the bars, if they want to do that. Most of them I

think after playing will either go home or go back to work. I think these kind of recreation facilities will benefit. I believe the liquor outlets will not suffer. I think, if some of those businesses are having a hard time these days because of the general economic environment, then I do not believe that Bill 29 will contribute in any way to their difficulties.

Motion agreed to

Bill No. 30: Second Reading

Mr. Clerk: Second reading, Bill No. 30, standing in the name of the hon. Mr. Ashley.

Hon. Mr. Ashley: I move that Bill No. 30, *Legal Services Society Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Justice that Bill No. 30 be now read a second time.

Hon. Mr. Ashley: The purpose of this proposed *Legal Services Society Act* is to create an independent society for the delivery of legal aid programs in Yukon. The act will replace the existing *Legal Aid Act* that, in contrast, provides for the administration of a rigidly statutory legal aid program by a legal aid committee appointed by order-in-council.

Contained in the proposed act are detailed provisions regarding the establishment and management of the society, the powers and duties of the society in the provision of legal aid and, of course, the financial considerations that are the foundation of any successful program of this nature.

¹⁷ The society is to be managed by a board of directors appointed by the Law Society, the Government of Yukon and the Government of Canada. Although the technical nature of legal aid requires the presence of a number of lawyers on a board, provision is made for lay representation. The board is to be responsible for the management of the affairs of the society and is empowered to hire its own staff.

It is anticipated that the board will delegate, to a staff member, responsibility for the performance of functions similar to those now handled by the legal aid clerk. In addition, it is hoped that the board will explore the money-saving possibilities of employing lawyers on staff, perhaps, to provide legal aid or court circuits. Discretion of the board to establish and manage legal aid programs is to be very broad, at least within the confines of the funds made available to the society for that purpose.

Of course, all members are aware that the Government of Canada provides financial assistance for legal aid programs under an agreement with the Government of Yukon. Obviously, the coverage and other minimum requirements of legal aid envisaged by the agreement will be given effect through funding of the society by the Government of Yukon.

It is worth emphasizing that the influence of this government over legal aid programs will be limited in two ways. First, by having only a minority of the members on the board and, second, by the requirement for it to negotiate annually with the society to determine the amount of legal aid grant and the terms governing its expenditure. Aside from these factors, the conduct of legal aid programs will indeed be independent.

Of course, there is also a requirement for an annual report and an audit that will measure the performance of the society and delivery of its programs. I believe that the transfer of authority and responsibility for legal aid to an independent society will enhance the public image of the program and reduce the opportunity for abuse of the program by recipients and lawyers. While the proposal is somewhat experimental, Yukon does have the benefit of following the lead of British Columbia in this area. It is without reservation that I urge this House to favourable consideration of this bill.

Thank you.

Mrs. Joe: We look forward in anticipation to this bill that is now before us. Most people who have been involved with the justice system in the Yukon know very well that there have been many problems in the past with regard to legal aid. It was very often felt that the services that were available were very often abused. We were always very concerned about that, so we looked

forward to this piece of legislation that we have before us. It is always good to know, beforehand, what is going to be in this new legislation or new bill that is coming before us and we always like to have a chance to look at and study them for a few days. In this particular bill, you offered two days to go over it.

I have seen some changes that the minister has said that will improve the system and I have no doubt in my mind that it will improve the system.

18 There are things that I see that I think are quite useful and those are community clinics and student legal aid offices and other benefits that this bill will allow.

However, I have a concern that a lot of people who do need legal aid could very well be denied it because of the strict guidelines that I can see being made in regard to applying to legal aid.

I also have problems with the board. The minister has indicated that they will have nominations made by the Law Society, the Attorney-General and by the Executive Council member. I look at it and I can see, possibly, six lawyers, at the most, out of eight people on this board. Hopefully, that type of thing will not happen.

The minister frowns at me, but what I am saying right now is that there is a possibility that three lawyers will be nominated and appointed by the Law Society. There is a possibility that a lawyer will definitely be nominated and appointed by the Attorney-General or the Crown attorney. There is a good possibility that three lawyers could be appointed by the Executive Council member. What I fear is that we could end up with a board that consists of six lawyers.

I feel, in order to deal very effectively with the new legal aid structure, such as this that we are looking at, that there have to be many other individuals involved, people who are concerned about seeing a program such as this run most efficiently. I would be concerned about the money budgeted for this program.

I see that they are going to be hiring staff to run this new structure. I do not know how many staff they will hire. I do not know how much money will go into that. I see that there will be community clinics being held and I do not know how much money is going to be spent on that.

The other problem that I have is that I wonder if anything in here will include the representation of a much needed service, and that is in the communities where JPs hold court. The minister has indicated many times that we have some very well experienced JPs in the communities, and I agree. However, you do not have the balance of having the people represented in court, because they do not have those services in the community, and they are needed, especially in Watson Lake, where court is held once a week or more often by a JP; and other communities, as well.

19 I think if a person is going to go to court for some charges or other, there has to be a balance. There has to be an experienced person on the bench. There also has to be experienced people to represent that person in court. I do not see where that is going to happen in this new bill. It could very well happen, but I do not see it.

I also wonder about the involvement of the courtworkers. The courtworkers - one especially who has been very well trained - could do a lot of laywork in regard to representing an accused who has entered a guilty plea on, possibly, a drunk driving charge, or whatever, or some other minor charges and guilty pleas. I do not know if the courtworkers will be included, or they have anticipated including them in any kind of training or using them a little bit more often. There are a lot of concerns. We certainly will be going into Committee of the Whole expressing those additional concerns.

Mr. Kimmerly: First of all, I must declare an interest. I will probably be a lawyer who works under the legal aid program. I certainly do now and I would expect in the future that I will, as well. I declare an interest of that kind.

The member for Whitehorse North Centre clearly and extremely well covered the major points of interest for members on this side. As a person who is directly involved I think I can add a thought or two that may assist.

We are certainly very much in favour of the concept of an independant society. That is a major principle, and perhaps the major principle of the bill. That is good, and we support it. Indeed,

in the past, it is my opinion that the legal aid program has bent over backwards in order to appear independent and perhaps gone to some expenditures than an independent society would probably not have gone to. That in itself may save money.

I am suddenly concerned about the direction that the legislation is taking, though. It appears to me that the major stimulus for the bill this time was the very large expenditure last year. There was an article in the paper yesterday substantially about saving money on the legal aid budget.

20 Saving the taxpayer's money is a laudable goal always but, in this area, the way it is saved must be very carefully done and the priorities of the Legal Aid Society are extremely important to the clients of the program. I have a very strong concern about the way the board has virtually a complete power to establish the criteria and to decide on the essentially political issues of the extent to which public legal education will be emphasized: community clinics, the liaison and coordination with native courtworkers and those issues.

It is my opinion that the board will very definitely be dominated by the legal profession's interests. It is clear to me that that domination is in fact intentional. It is interesting that, as a principle of the bill, the president of the Law Society nominates half of the board; one of them is a non-lawyer. It is very peculiar that the Law Society would be nominating a non-lawyer. Obviously the reason for that is to give the Law Society fifty percent of the seats. It is not the Law Society, it is the president of the Law Society, which is a different thing, and I have a concern for that, as do other lawyers who I have spoken to today and yesterday.

The minister should be well aware that the makeup of the board is not going to get through the committee stage easily and quickly. There are very real concerns on this side about emphasizing the consumer interest, i.e. the consumers of legal aid services. There is an important consideration in my mind of protecting more the clients than the lawyers who deliver the service, and it is my opinion that that interest has not been emphasized enough.

There is a guarantee of representation of some interests. There is no guarantee of a representation of the native interest, who are the majority of the clients. I am extremely concerned about the purposeful way the board was constituted and in committee we will be pursuing that probably with our own amendments.

21 *Motion agreed to*

Bill No. 31: Second Reading

Mr. Clerk: Second reading, Bill No. 31, standing in the name of the hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 31, entitled *Energy Conservation Assistance Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs that Bill No. 31 be now read a second time.

Hon. Mr. Lang: The piece of legislation that you have before you will permit the Government of Yukon to continue its work in assisting Yukoners to cut down, as well as manage, our energy resources. I would like, at this time, to address my remarks to the rationale behind the act.

The government has been working, as you know, closely with the federal government for the past five years in developing and delivering two energy management programs. The first of these was a demonstration program, under which 22 energy conservation and renewable energy programs were carried out.

The Canada/Yukon CREDA program was, in large part, responsible for greatly increasing our knowledge of conserving methodologies and has expanded our awareness of viable renewable energy options, such as micro-hydro and wood chips. As a demonstration program, it has represented a learning experience for Yukoners, which, of course, was one of its prime goals.

The second program that was in effect is called the Yukon Energy Conservation Incentives Program and was responsible for carrying out energy audits on approximately 10 percent of Yukon's business dwellings. We have identified \$1.5 million in annual energy savings as a direct consequence of the program over the past number of years.

As successful as these programs were, our government felt that

they did not go far enough. We petitioned the Government of Canada and the hon. Mr. Cretien, Minister of Mines and Resources for Canada, for an extension of the two programs. We believe bilateral delivery of energy programs is the best solution, because it guarantees that regional priorities are observed and, at the same time, that national goals are advanced.

Unfortunately, the federal government, for its own political purposes, decided to bring to an end bilaterally funded energy programs, not only for the territory, but for the provinces, as well. They have chosen, instead, to replace these programs with others that will effectively exclude the regional governments from participating and the result is going to be that the constructive role that local governments can play will not be part of those programs.

I want to impress upon you, Mr. Speaker, that the actions on the part of the federal government is a cause of great concern to the people of the territory as well as all Canadians. This is our home. I believe we rightly feel that we are best equipped to understand the problems we face and we should be, in part, determining the methods to solve those problems, and most importantly, implementing the decisions.

In view of the results of the past two programs that I outlined I believe, as a government, we and the people of the territory have demonstrated our expertise in this energy field and I want to express my umbrage at the fact that the Government of Canada has chosen not to involve us in their forthcoming proposed programs.

I would like to take a few minutes to comment on the situation we face presently in Yukon in the area of energy. Yukoners are currently spending approximately \$90,000,000 each year to import refined oil products in order to meet the energy requirements within Yukon. This level of dependency upon oil is not only a strain on individual consumers, but is also a very onerous burden on the general economy.

Various reports have been put out to the public in respect to trying to judge what the future holds for us. Some experts tell us that by 1990 the price of oil could well rise by as much as 250 percent over today's prices. We simply cannot afford to be sending \$225,000,000 to the refineries in Vancouver each year, if this is to happen.

A burden of that magnitude would have a crippling effect upon our economy and, for that matter, many of the provinces. Something must be done, and it has to be done now. Obviously, we, with our limited resources, cannot do everything and, therefore, we must be careful to ensure that what we do with the greatest effect.

If we break down our energy expenditures, the picture is as follows: 50 percent of all our oil products are used in transportation; 35 percent for space and water heating in the commercial and residential sectors; 15 percent for industrial uses and diesel generation. The largest component is transportation and unfortunately this is an area where we can do the least. We simply are unable to develop more fuel-efficient vehicles and we must trust that work will be done by the government and corporate research centres and that we will be among the beneficiaries. But we can and we shall have the significant effect on the remaining 50 percent of our oil budget.

Our strategy in this is fourfold: the first component of our strategy is to develop a specific and comprehensive energy policy that will give direction to our actions in years to come. As you know, the staff that was assigned to this project was assigned to the transportation question and the CTC and therefore it will not be until this summer that we have a paper put forward for discussion.

The second component is the internal energy management program that I spoke of during the course of debate on the Operations and Maintenance budget. We recognized that, today, the largest consumers of energy in Yukon are the two senior levels of government. Government must take the role of leadership and set an appropriate example. We have instituted procedural changes within our department enabling the energy branch to play a crucial and necessary consultative part in managing energy resources for all the government buildings in Yukon as they pertain to the Yukon government.

Two years ago, this government set a target for itself of reducing

our energy expenditures by 10 percent. We feel we can go farther than that, now, and that by employing prudent energy management initiatives, we can reduce energy consumption by 25 percent.

Thirdly, we will continue to address the 35 percent of energy consumption that goes towards space and water heating. To do this, we have developed the Saving Energy Action Loan Program, or SEAL, as the program will commonly be known.

The SEAL program will make available interest free loans of up to \$1,500 to Yukon homeowners for the purpose of retrofitting their homes. We believe these loans will act as an incentive to homeowners to upgrade the thermal characteristics of their homes and, as a spin-off benefit, an incentive to the construction industry.

The government, over the past two years, has been monitoring the effect of retrofitting homes through various demonstration programs here in Yukon and elsewhere in Canada. We believe that the potential for energy savings in the residential sector is great and we believe that retrofits will save Yukoners significant amounts of fuel oil and also have a major effect upon their disposable income.

The initial costs of the retrofit can act as a disincentive to perform the work. The SEAL program is designed to help cope with the costs of labour and materials for the upgrading of homes.

As you know, there are several federal initiatives in this area but, because of the extra costs of energy and the high costs of labour and materials needed for retrofitting in Yukon, we feel the federal initiatives do not go far enough. The loan program that I am proposing today is designed to compensate existing federal programs and to optimize energy investments. Retrofits not only reduce energy consumption, but can bring added comfort to the home through the reduction of drafts and the balance of temperatures throughout the house. Reduced fuel expenditures and added comfort will mean an enhanced standard of living for Yukoners.

The energy conservation measures, which will be financed by the loan program, are very labour intensive activities and, as I stated earlier, will act as an important stimulus to the building industry at a time when this particular industry continues to be under utilized. We expect, for example, that over 50 percent of the dollars available will go directly towards wages for construction workers.

Our rationale, then, for introducing the SEAL program is clear: jobs for Yukoners, comfort and savings for homeowners, reduced dependency upon oil and the spinoff benefits to the rest of the economy, which will follow. We expect that this program will be in operation this summer, once staffing and administrative procedures are complete.

The fourth component of our strategy is the Yukon Energy Alternatives Program, a long-term initiative designed to assist in establishing the feasibility of alternate energy sources for communities, industries and other consumer groups. Conservation and renewable energy are two sides of the same coin. Reducing our energy demand by reducing wastage of energy is one thrust, while looking for ways to substitute for oil in appropriate situations, is the complementary thrust.

With the Yukon energy alternative program we will examine the most practical ways of substituting for oil. We hope to look at small hydro, woodchips, waste heat recovery from diesel generators, and other sensible solutions to our energy problems.

The legislation before you today is important because it is the further statement of Yukon's commitment to reduce its dependence upon oil. Its local initiative and benefits that accrue from it will be shared by all the general public. It represents our intention to invest in energy conservation and renewable forms of energy and it acknowledges that investment in this area is an investment in Yukon's future.

Mr. Byblow: In response to the minister's statements, I wish to say that we are going to support this bill as to what it intends to do. I think we agree with the position of the minister that energy conservation programs are not only very important and critical, but very necessary in the face of the increasing energy costs, particularly here in the north. I have reviewed the assessments of our potential cost of energy ten years down the road and we share with the minister the concern to reduce those costs.

We might have, at the same time that a program such as this is

presented, also preferred an equalization program to homeowners across the territory. That is not a subject of this bill, albeit this bill is a useful first step towards reducing energy costs. The minister explained the background behind why this bill is being brought forward and his umbrage over the separation of administration and delivery of energy support programs. I can share with the minister his concern for the inefficiency of parallel energy programs between this government and the federal government, requiring separate but parallel administrations.

That raises another question about part one of the bill, which deals specifically with programs. In the first instance, these appear to be programs that are parallel to the federal programs. I would ask the minister later in committee the extent to which this program will be utilized according to any analysis or any investigations that this government has done. I would be curious as to what evidence this government has to support the position that further funding would be used by participants.

It is clear in the legislation that one of the criteria for YTG programming to be made available is that participants must qualify and use federal programs. I would simply, then, ask the question: how many people will be utilizing the funding, and will wait for the minister to defend that this is the most practical use of the money.

Most complimentary in the bill is the incentive for investigating alternate energy sources. That is described in part two of the bill and the principle is highly laudable. I believe that any encouragement towards seeking alternate energy sources is most useful and, again, as the minister pointed out, our reliance on diesel as a source of our energy has to be looked at as a feature that we must move away from.

We might have something to say in terms of energy about how we could move away from that dependance on diesel if we were allowed some access into NCPC and Yukon Electric, but that again is not a subject of the bill. At this point, we support in principle the bill. We find many meritorious aspects about it and look forward to a little bit more detail in committee, and support it at this stage.

Motion agreed to

Bill No. 32: Second Reading

Mr. Clerk: Second reading, Bill No. 32, standing in the name of the hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 32, entitled *Act to Amend the Business Development Assistance Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs that Bill No. 32 be now read a second time.

Hon. Mr. Lang: Before, you had amendments to the *Business Development Assistance Act* that were assented to on May 2nd, 1980, but never brought into effect. The amendments that are before you for your consideration are for the purpose of providing a strong business development program for the small business entrepreneurs of Yukon. The original act had been expected to be funded under a cost-shared subsidiary agreement through the General Agreement with the Government of Canada. Negotiations for this agreement, as you know, have never been finalized and, recognizing the express requirement, we intend to directly fund our business development program through the 1984-85 capital budget that we considered last fall.

Delay of this act would only negatively impact on our business community and therefore it is our intention to proceed. We are going into a field that is relatively new to us and our government is moving consciously and responsibly to ensure protection to the public purse and yet, at the same time, ensure that we meet the needs of the business community. It is our intention that programs funded by our government will be specified through regulation rather than through the act itself. This way we will gain experience in the field of business development and, when specific incentives are required by entrepreneurs, the act will allow us to proceed in that direction.

Sections 23, 24 and 25 of the existing act cover incentive programs that are not acceptable to the Government of Canada. The proposed amendments replace the former sections 23 to 25 and

address a broader and more comprehensive approach to business development. Under these amendments, a loan assistance program has been designed to encourage the establishment of new small business in Yukon as well as the expansion to existing businesses through the provision of low-interest loans and loan guarantees.

More specifically, there are three basic amendments to the act. The first amendment is a housekeeping matter and simply specifies the per diem expense to be paid to members of the Business Development Advisory Board. This board will act as the review process for applications under the act and will be made up of both private and public sector representatives.

The second amendment formally repeals section 23, 24 and 25 of the act. As noted previously, the program incentives described in the aforementioned sections are no longer feasible. The third amendment provides a vehicle whereby the reinstatement of previous incentive programs or the addition of new programs can be accomplished in an effective and expeditious manner.

It should be recognized that the expenditure for this act, for this forthcoming year, amounts to \$500,000, and it is anticipated that the program will be initiated by early summer. It is hoped that the programming will enhance the number, quality and success of business ventures and contribute to the long-term economic growth and development of Yukon.

Mr. Byblow: I assure you there is nothing of any special arrangement between the minister and myself, but I have to, again, agree with the minister and say that this is a good bill. I have been in this House since 1978 and every year we talk about making small business loans or low interest loans to small business, and every year, we have heard why it could not be done.

As the minister points out, this is, in fact, a representation of a bill that was introduced and passed back in 1980. The minister is acutely aware of what has transpired in all of that time while we were trying to create an incentive program that would be fair to all. I think, during this time, we have seen evidence of some division in the business community because of selective grants. This, I am sure the minister will agree, has proven to be counterproductive, from time to time, and certainly unfair when we allow public funds to be introduced into the marketplace in any unfair fashion.

I bring to attention an example, in Dawson City, where making grants available to one hotel, which were not available to another hotel that was trying to make it on its own, certainly precipitated a kind of hostility about the process. I do not suggest in any way that grants are wrong, but if we cannot introduce some measure of equalization and some measure of universality, we often create a lot of problems. Another one that comes to mind is the Ski Chalet. I hear grumbles, from time to time, around the communities, about the availability of funds for business.

I believe that this bill should create this kind of universality and availability to all businesses in the territory and create a fair ground of competition for public funds. I believe we have argued, on this side, for a long time to make low interest or even no-interest loans available to business and I am very glad to see that this is finally in place to be put into practice.

I will have some questions in Committee about the repeal of the sections that the minister referred to and I will also have some questions about the extension into regulations of the guidelines for some of the funding that is going to be made available.

At this time, we support wholeheartedly in principle this bill and look forward to its speedy passage.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

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

COMMITTEE OF THE WHOLE

Mr. Chairman: I will now call the Committee of the Whole to order. We shall recess until 3:10 p.m. and when we return we will go on Bill No. 29, *An Act to Amend the Liquor Act*, and following that we will go back to the *Second Appropriation Act, 1984-85*, on Municipal and Local Government.

Recess

Mr. Chairman: We shall now go on to Bill No. 29, *An Act to Amend the Liquor Act*.

Bill No. 29: An Act to Amend the Liquor Act

Hon. Mr. Ashley: We have just gone through second reading. I believe we are all on side on this, basically anyway. I propose that we move into clause by clause.

Mr. Kimmerly: Just for the record I will say very briefly that I made comments about the overall effect of the *Liquor Act* and the present problems around liquor availability in the Yukon. I am not going to debate it at great length here. The measures here are fairly specific and they will simply facilitate the granting of licences to recreation facilities and that is a principle that we support.

On Clause 1

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

On Clause 4

Clause 4 agreed to

On Clause 5

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

On Clause 7

Amendment proposed

Hon. Mr. Ashley: I propose to move an amendment to the bill: THAT Bill No. 29, *An Act to Amend the Liquor Act*, be amended in clause 7(1), at page 3, by deleting the phrase "47(1) and (2)" and substituting for it the phrase "47(1) and (1.1)".

Amendment agreed to

Clause 7 agreed to as amended

On Clause 8

Clause 8 agreed to

On Title

Title agreed to

Hon. Mr. Ashley: I move that you report *An Act to Amend the Liquor Act* through the committee with amendment.

Motion agreed to

Mr. Chairman: Bill no. 29, *An Act to Amend the Liquor Act*, is cleared through the Committee of Whole with amendment.

We will now go to Bill No. 12, on Municipal and Community Affairs.

Bill No. 12: Second Appropriation Act, 1984-85 — continued
On Municipal and Community Affairs

Hon. Mr. Lang: I just want to make a few comments in respect of the budget that is before you in the area of municipal affairs.

By far the most significant component of this budget consists of transfer payments to municipalities and local improvement districts under the auspices of *The Municipal Finance Act*. As you are aware, this legislation, which provides for grants in lieu of taxes, assessment equalization and dwelling unit grants and deficit contributions toward the Whitehorse Transit Commission and water and sewer systems in the smaller communities, was amended during the current session of the legislature to provide for a more equitable, stable and predictable calculation and distribution of these payments to the communities.

Payments to organize communities under the *Municipal Finance Act* are scheduled to increase from \$3,961,000 in 1983-84, to \$4,271,000 in 1984-85. However, I should note that the 1983-84 payment of \$3,961,000 includes a \$60,000 advance payment to

Teslin to resolve a short term cash flow problem, as in fact a 1984 payment. Making suitable adjustments in both the total budget of the department and its transfer payment component results in an actual increase in transfer payments of \$430,000, or 11 percent, from \$3,901,000 to \$4,331,000 in 1984-85.

This increase of \$430,000 represents 80 percent of additional funding of \$542,000 provided by the department in its 1984-85 budget. These payments also represent approximately 60 percent of the total budget of the department of municipal and community affairs.

This funding allocation clearly demonstrates the efficiency and effectiveness of the department in administering its programs and the importance and commitment assigned by the Government of Yukon to developing strong and viable local government units in Yukon.

A major program activity of the department in the forthcoming year will be the introduction and implementation of the new *Municipal Act*, which was proclaimed in January, 1984. Initial priority will be assigned to an ongoing training program for municipal administrators to familiarize them with the requirements and technicalities of the legislation, and the incorporation of Haines Junction, Carmacks, Mayo, and Teslin as municipalities, which has already occurred with respect to Watson Lake, and the establishment of the Yukon Municipal Board for which funding of \$4,000 has been provided in 1984-85.

We anticipate that there may also be one or more requests for boundary expansions in the establishment of hamlets in unorganized communities, under this legislation, over the forthcoming year.

I should also note that the decision to provide the Yukon Municipal Board with the authority to hear appeals, under the *Area Development and Building Standards Act*, rather than maintain separate courts for this purpose is another measure to reduce administrative costs and improve government efficiency.

Another area of the department in which significant progress has been achieved in the past year has been the property tax system. With the completion of last year's property assessment schedule and, in particular, that of Dawson City, all Yukon properties have now been assessed within the past four years, under the new *Taxation Act* and Assessment Manual. Now that this task has been completed, and with a system of regular reassessments, I anticipate no major fluctuations or disruptions in property tax assessment in the future.

On the other side of the equation, property tax rates outside of organized communities have been consolidated and rationalized in three standard categories. These classes consist of a tax rate of .73 percent for Carcross, Ross River and Beaver Creek, which receive a higher level of government services; a rate of .60 percent for Burwash Landing, Destruction Bay, Old Crow and Pelly Crossing, which receive an intermediate level of government services; and a tax rate of .51 percent for all other areas, including Elsa, which receive a minimal level of government services. These tax rates also reflect a reasonable balance relative to tax rates established by organized communities, which generally provide a higher level of service.

An extremely important function of the Department of Municipal and Community Affairs is its land management and development functions. During the current year, new acreage residential lots will be developed in Whitehorse, Carcross and Haines Junction, with new commercial industrial lots being provided in Mayo, Haines Junction and Carmacks.

The design of further new residential and commercial lots to be developed in 1985 in Carmacks, Dawson and Watson Lake areas will also be undertaken in the forthcoming year.

With respect to agricultural land, 37 parcels of Yukon lands have or shortly will be released under agreements for sale. However, lands available and suitable for agricultural endeavours under the control of the Yukon government are close to exhausted. Despite the large number of applications for agricultural lots on lands under federal control and the mapping and identification of federal lands, which have high agricultural potential, the Government of Canada has yet to transfer any of these lands to the Government of Yukon.

In the same vein, the federal government has yet to transfer major

blocks of land to the Yukon government adjacent to existing communities or for recreation or park purposes. However, I am hopeful that such a transfer will materialize in the near future with the agreement-in-principle on land claims settlement now in place and, being optimistic as I always am, a new government in Ottawa.

In anticipation of such a positive environment, work will be undertaken this year in formulating and establishing forestry regulations, a grazing policy, and identification and planning of new recreational lots, and several small agricultural subdivisions.

In further support of Yukon's agriculture industry, the department will continue to work closely with the Yukon Livestock and Agriculture Association and the Agriculture Development Council in formulating agriculture policy providing education programs, training seminars and extension services and carrying out a number of on-farm demonstration and experimental programs. The department and the Agriculture Development Council have been successful in facilitating the application of federal farm credit corporation finance programs to Yukon farmers and arrangements have been made to enable agricultural land agreements of sale between the Yukon government and farmers to be used as security for such loans.

A further agriculture initiative to be undertaken this year in consultation with all concerned parties, including the federal Departments of Agriculture and Health and Welfare, is the establishment of animal food health standards which should enable Yukon farmers to access local markets, at the same time providing health and disease protection for consumers.

Notwithstanding initial problems and difficulties, the transfer of cottage lots from the federal to the Yukon government and the issuing of title to present lease holders on these lands is now well underway with the exception of a number of isolated lots and a number of lots that fall within the 100-foot water reserve. Hopefully these problems and difficulties will be dealt with and resolved in the coming year.

The department is currently in the third year of a major road upgrading program in these cottage lots subdivisions, many of which will be maintained on a year-round basis as a result of the recent policy decision that was announced last year.

Another recent policy adopted by the Yukon government has been to direct all requests for recreation lands within organized communities to the local governments and to transfer ownership and title to local governments if such land is required for development purposes.

A recent addition to the protective services branch of the Department of Municipal and Community Affairs is the emergency measures program, which was transferred from the Department of Government Services last fall. I am pleased to advise the legislature that an agreement has recently been entered into with the Government of Canada whereby virtually 100 percent of the approximate \$35,000 cost to the program will be recovered from the federal government. However, this recovery is not reflected in the estimates as this agreement has only been finalized in the past several weeks.

As stated in the Throne Speech, arrangements have also been finalized for a firefighting competition to be held between fire brigades of Alaska and Yukon in Valdez, Alaska in the fall of 1984, for which approximately \$3,000 in funding has been provided in the estimates before you.

The provision of virtually all municipal services provided by the department in unincorporated areas of Yukon, other than ambulance and fire protection, which remains with Protection Services, have been consolidated within the municipal engineering branch of the department. These programs include our operation of the Destruction Bay water and sewer system; water delivery at Carcross and Old Crow; street lighting; garbage dump maintenance; and the Timberline T.V. system.

Road maintenance of streets in unorganized communities has been transferred and assigned to the Department of Highways and Transportation. During the coming year, CBC radio service will also be extended to Old Crow, for which required capital funds have already been provided and \$16,000 included in the operation and maintenance budget for ongoing operation of the service.

In reviewing the operation and maintenance assessments for 1984-85, the Legislature will note a number of reductions and increases in person-years for each of the various branches, with one exception. These person-year changes reflect a departmental reorganization, which was undertaken approximately 10 months ago, but was not reflected in the 1983-84 budget estimate. Total person-years for the department, in 1984-85, has increased by one and consists of a new accounting clerk position, which has been necessitated by the transfer of the Municipal Energy and Emergency Measure Programs in the Department of Government Services and overall increased workload.

Mr. Penikett: The minister spoke quite quickly, in his statement, and I missed a couple of points. I wonder if he would remind repeating it for us?

Hon. Mr. Lang: By far the most significant component of this project consists...

Mr. Chairman: You are repeating yourself, Mr. Lang.

Mr. Penikett: C'est une plaisir pour moi addresser les provisions budgétaires du ministre. Mon premier discours n'est pas très

La première questionne: what I would like to know about is that aujourd'hui. Je les dit en anglais.

La première questionne: what I would like to know about is that the minister gave us a recitation or some statement about the tax rates that were proclaimed by order-in-council 1984/72, with respect to school, and order-in-council 1984/73, with respect to general taxation. He indicated some of them and indicated that the rationale for them had to do with the level of services in the communities. I wonder if he could elaborate a little bit on that, as a statement of policy, keeping in mind, if he would, making particular reference to the general taxation rate in Carmacks, which I see is .50

Also, Haines Junction, for example, which is .87. Would he explain the philosophy and the policy behind those two tax rates and indicate the basis of that discrepancy.

Hon. Mr. Lang: La plume de ma tante est sur la table de mon oncle.

Carmacks strikes its own rate, as opposed to the Government of the Yukon Territory. What we have put forward to the Assembly, as far as tax rate for the unorganized communities, was a three-tier approach to taxation trying to take into account the various services provided to the communities. As I indicated to you, we had Carcross, Ross River, Beaver Creek as one standard; and Burwash, Destruction Bay, Old Crow, and Pelly Crossing; for all other areas a tax rate that differentiated from the other two. We are trying to reach some commonality of differentiation between these rates in order that there be recognition of the services directly being provided by our government to those communities.

Mr. Penikett: The minister refers to the effort to achieve commonality. To what extent, in his judgment, is the setting of these rates, the rates that are under the control of the territorial government, an arbitrary matter?

Hon. Mr. Lang: I do not have the information with me that I presented to the legislature last budget session, to outline the rationale for the various classifications. We are striking our percentage rates along the lines of the rationale that was presented to the House last year.

Mr. Penikett: The minister in his opening statement made reference to the municipal board. For the record, could he indicate to us what appointments have been made to that board? Is it filled now, and are the places occupied? Can he tell us anything about their installation and their functioning?

Hon. Mr. Lang: There have been no appointments made. It will be my intention over the next couple of months to make the necessary appointments to the board and put it in place.

Mr. Penikett: Are there no clues or sneak previews as to who we might see on the board? We would like to see some representation for areas other than Porter Creek, though.

Let me move on to the next question I want to ask, which is a general question. In reference to the lands item here, does the minister know off the top of his head what the current value of the inventory of lands in his control is? Does he have any idea of the current value they are now required to maintain?

Hon. Mr. Lang: I have to take the question under notice and I will see about getting that information for the member opposite. I would be interested in that question myself.

Mr. Penikett: Thank you, I will accept that as notice. Let me ask a question in respect of the general area of protective services. As I understood the budget address and some of the information that came down there, there is in fact a marginal reduction in the ambulance services, but at the same time I also seem to recall hearing somewhere else about the amount of overtime that had been racked up in ambulance services. There would seem to be a contradiction in those two elements. Could the minister explain what is in fact happening there? Is there a reduced demand for the service?

Hon. Mr. Lang: No. What takes place, as I indicated in the supplementary, is that we wait until the year end and then bring forward the difference between the regular estimated cost and present the House with the supplementary for the cost of overtime that occurs in that particular area.

Mr. Penikett: I would be curious to know if the minister knows why in fact it is not possible, given our experience now, to budget more accurately. I understand the reason for having a supplementary about the overtime, but if we are going to have an additional expenditure that is going to be in excess of the amount here, why we could not include it in the estimates.

³⁹ The minister made reference to the work of the assessment services and the fact that the major review was, more or less, up to date in the work of that area. Previously, the minister has been asked about the assessment of improvements on some of the mining properties, mineral claims in a number of areas in the territory.

At one time, I believe the minister indicated that the department has not, I think, at the time of the question, been able to do an assessment of much of that capital equipment, some of which is of considerable value, but which is, I understand, assessable property. Could he indicate to the committee what the state of affairs is there now?

Hon. Mr. Lang: That was part of the responsibility of the assessment branch, this past year, to do an assessment of the properties. That, to my knowledge, has been completed.

Mr. Penikett: Is there any problem with respect to those assessments, in that much of the capital equipment that would be located on the properties is there for only part of the year, which limits the time available for doing those assessments?

Hon. Mr. Lang: I am going on memory, but most of the equipment that the member speaks of would not be assessable, because it is movable, though the equipment that is stationary and can be proved to be stationary, of course — and the appeals are there for the individuals to proceed if they do not believe that the interpretation by the assessor is correct — has been assessed.

Mr. Penikett: On another occasion, I would love to pursue the problems that the difficulty of movability creates, particularly with respect to trailers, in which some of those properties might have a large number of trailer units or bunkhouse units on them, especially during the time they are working. It seems to me, at least, an open question as to whether they should be assessable, especially if they are producing properties. Some of them, of course, may get moved, but some of them just may not be occupied for part of the year.

Anyway, I do not want to get into a long debate about that, now. I do want to, however, if you like, serve notice to the minister of a question I would like to discuss with the Minister of Finance, sometime.

I would like to move on, briefly, to a very general area, which is with respect to the new acreage or subdivision, such as the one that is going into my constituency.

⁴⁰ I understand that the people responsible for planning that received some representations from people in the area about the planning of these things. Now I know the department has acquired some experience in these matters, but also the citizens who live in these areas like Wolf Creek and MacPherson have some opinions about how things might have been done or how they should be done in the future. I assume the department has responded to those.

One of the aspects of the lifestyle of people who live in those areas is the increased opportunity for people who live in these areas

to use the area around them for walking dogs, hiking and skiing and doing all those kind of things, and that is an important ingredient in living in those areas. Has the department received any representations about these kind of needs from a planning point of view, and been able to take them into account in planning these areas?

Let me make another point about recreation, because it has also been suggested that, when these areas are planned — and the minister will have heard about the debate in Wolf Creek about whether there should be a soccer field and so forth in there — some area should be set aside from the outset and kept as Crown land or perhaps as municipal land for recreation purposes. I wonder if the minister has had any occasion to think about that and whether it is his view that this will be reflected in the plans of the new areas being opened up?

Hon. Mr. Lang: As the member knows, any steps we take are subject to the zoning and the approbation of the city council of Whitehorse. Therefore, it really is in part their job to go through our plans to ensure that those aspects are taken into account. I am going on memory, and I do believe those areas that the member speaks of have been taken into account on the specific layouts of the lots and how they are laid out to ensure that there are the necessary green belts and all these types of things as far as the development is concerned.

⁴¹ On the question of a soccer area or recreation area set aside, I believe there is a section that has been set aside for that particular purpose and will be designated as such. I think the concerns of the member opposite have been taken into account. I think I can say from this side of the House, that we are very concerned about that as well.

Mr. Penikett: One last question on that general area. The minister will know that, I think in Wolf Creek — perhaps not so much in McPherson — there were a number of residents who felt that the roadways were wider than necessary in those areas. I wonder if the department agrees with that, and whether that is going to be effected in the design of the new area?

Hon. Mr. Lang: This is the first I have heard of it.

Mr. McDonald: I have a few constituency questions before we get into the area of agriculture.

The first area I would like to question the minister on is the area of Elsa. The issue involves that of property taxes rather than the issue of general income taxes, and what people in that community consider to be a fair return for their income tax. I would like to discuss the issue of property taxes per se as they relate to general tax rates around the territory.

I have a 1984 tax rates schedule in front of me, which lists the non-residential and residential school tax rates for all communities in the territory including the designation of all other areas. The community of Elsa, the people who live in Elsa, the company who owns land in Elsa and those few property taxpayers in Elsa are, I assume, covered under the all other areas designation.

⁴² Their general tax rate is .51.

The general tax rate for Carmacks is .50. I am wondering if the minister could explain what seems to be an anomaly, that the community of Elsa pays a tax rate for minimal services rendered, at a rate of .51, and an organized community, soon to be a town, I think, pays a general tax rate of .50. I wonder if the minister would mind elaborating on that?

Hon. Mr. Lang: The reason that Carmacks is in that situation is that they were able to husband the dollars that they had received from this government, over the past number of years, with respect to transfer of dollars, as opposed to what responsibility they were taking on as a municipality.

I should note that they did increase their tax, this year, from .41, I believe, to .51 or .50. Therefore, they are, obviously, taking on more responsibility and, as time goes on, I expect that they will take on further responsibility. However, they did work out a substantial amount of dollars, as far as working capital was concerned and, as a community, they have deemed it their philosophy to contract out work. Subsequently, they may be paying less, in that area, as opposed to an ongoing cost, which many of the municipalities have for a normal work week and the maintenance of equipment.

It is a way the community is situated and the number of streets they have and all these things that are taken into account, as well. Therefore, that is why I am assuming the future municipality of Carmacks has made those decisions.

As far as our tax rate is concerned, we try to be as fair as we possibly can, throughout the territory. I think that is demonstrated in the fact that the community of Elsa is taxed like Tagish.

Mr. McDonald: The one difference between the people in the community of Elsa, of course, and any other community in the territory is that the Government of Yukon has a hands-off policy on anything that happens within the community boundaries.

So, the community of Elsa takes 100 percent responsibility for the delivery of municipal services. As far as education is concerned, there is an education tax rate here, which I have not questioned and that I think is a legitimate tax rate. As far as delivery of municipal services is concerned, the community of Elsa and the company in Elsa delivers 100 percent of those services; 100 percent, not a portion, 100 percent.

I am wondering if the minister has ever given consideration to lowering the property tax rate for that community, in consideration of the fact that it is not just another group of residents outside community boundaries, which are spread out inside the territory, but is, instead, 300 or 400 people who are all conglomerated, clumped together — I think that is about as complex as this government's definition of this community goes — there are 300 or 400 people clumped together, who provide their own community and municipal services.

The highway bypasses the community altogether. The highway that the government would be maintaining, in any case, because there are residents at the end of the road, is something that is not dependant upon property taxes that the company in that town and the property taxpayers in that town might have to pay.

The minister seems to think that if the community of Elsa was not there, it might be questionable as to whether or not they maintain the road. I repeat, as I mentioned the other day, I believe, in Question Period or sometime previously, that there is a community in the riding, going by the name of Keno, which is a very established community, as I am sure the Sergeant-at-Arms could attest to.

It is an old-time community in Yukon that has permanent residents who have nothing to do with the mine in Elsa. So I repeat my question: has the government ever given consideration to lowering the property tax rate for that community in consideration of the fact that they do not deliver any municipal services for the community?

Hon. Mr. Lang: I do not want to get back into this debate. I think we have had it on numerous occasions and I think the member opposite got his speech into *Hansard*. He can send it out to his constituents and I am sure he will make them feel better.

Mr. McDonald: The minister is quite right. I do not think I have to deliver any more speeches into *Hansard* to make the community feel any better about my representation. This, for me, is a sincere and honest effort to try to convince the minister of his misguided policy towards that community. If the minister does not want to pursue this matter, perhaps he could answer questions on the government's commitment towards recreation to the community: the municipal pool, which the community has decided to fund, reluctantly, 100 percent itself. Is the government planning to send engineers into the community at the time of the excavation to assist in the construction of that pool?

Hon. Mr. Lang: I have acceded to the request of the community who corresponded with me. I sent the plans up to them that we had in our possession. I understand they were fairly thankful for that, which I appreciate, and maybe the member opposite has some problems with the plans. It seems to me, anything we do for the fellow next door here he is very critical of, and I am afraid that if I gave the member opposite a Mercedes Benz he would complain because I did not fill it up with gas.

I find myself in a difficult position because it is good to be a hero on that side of the floor but you have to look at the overall responsibility of government. You have to take into consideration who owns the company, and what responsibilities it has, and I am

sure we could go for a long period of time discussing that particular topic. The interesting part in your whole dissertation was that you emphasized a number of times in your presentation the very few taxpayers who were within the community as far as property was concerned. I think that exemplifies the position that this side of the House has taken.

I want to say we will help wherever we possibly can as far as the people in Elsa are concerned, and the swimming pool, with whatever assistance we have within government, if they need some advice, and I have pointed that out. But I find it very difficult, and I will put this on the record, if the member opposite is going to take me to task every time he brings a request forward and we do deem that it is a logical and responsible request, if he continues to just sit here and be derogatory of us, once we have said we will do things, then I would submit to you that I would find it very difficult to continue with those programs. I might as well be criticized totally as opposed to the criticism by the member opposite whether we do something or we do not do it.

Mr. McDonald: I have a feeling the debate will be rather long this afternoon.

The minister has promised a number of times in the past to do what he considers to be great things for the community of Elsa. Upon reflection, and upon examination, we find that these efforts are considerably smaller and considerably less significant than the minister would have the public believe. That is my duty as an MLA in the legislature, to try to determine exactly what is being given to the community, and to smoke out the red herrings that the minister might not want to dredge up.

The people of the community of Elsa obviously have to be thankful for the very small mercies the minister accords the community. As a matter of fact, the delivery of the plans by the postal service to Elsa was enough to warrant a special call to their MLA, because this is one of the first times that they had received any kind of recognition at all, however small. I think a bottle of champagne was cracked and people were quite happy about that extremely small mercy.

The minister said the plans were worth \$15,000. The copies of the plans were worth the cost of copying those plans. Besides that, the plans that the minister sent to the community obviously were not the plans that were necessary, in that the community is buying a pool kit that they have to insert in the community themselves.

Mr. McDonald: The minister said that if he gave the member for Mayo a Mercedes, he would have to fill it up with gas because the member would not be satisfied with a Mercedes. I think I have not even been given a dinky toy, yet, and the community of Elsa is deserving of considerably more than the minister has decided to offer.

The issue, for some considerable period of time, is to what extent the government is going to participate in a community, when it levies a tax, a significant tax, in a community. I reiterate, once again, the people there do not feel they are getting their fair share. I would doubt very much whether or not there would be one person in the community who feels that the government is treating the community fairly, not one person.

I understand, too, that the community, or, at least, the Conservative Constituency Association for the entire district took a resolution to the Conservative Convention. The resolution failed to pass, which is extremely unfortunate. So, I have the feeling that there may be some question in the very small Conservative community, in my riding, as to whether or not they can maintain support for the government.

The minister also mentioned that the number of taxpayers in the community was a significant factor in determining whether or not the government was going to provide services to the area. I have not understood that to be a significant factor, at all, in determining whether or not the government was going to provide services to a community or to Yukon. Perhaps the amount of tax the people pay should also be a contributing factor in that analysis.

The minister mentioned that he sent the people the pool diagrams for the Pelly Pool and that is the extent of his meager effort.

I would like to discuss for a moment the community of Mayo. I believe that there is a plan in the works to eventually put chipseal on the roads in Mayo. I wonder if the minister could give us an

update as to what the plans of the government are and when a schedule of BST implementation might be over the next couple of years?

Hon. Mr. Lang: I do not have that information with me, I do not believe. That really is a capital item, not an operation and maintenance one. I am going on memory, but I do believe that we were going to do some construction of the roads in Mayo this forthcoming year. I will have to doublecheck and get back to the member on it. I am told that yes, I am correct, my memory has not failed me after I have listened to the dissertation from the member for Mayo who has been so hard done by. Perhaps I should cancel that, maybe we are not doing a good enough job.

Mr. McDonald: I hope the minister does not bear a grudge on the entire riding merely because one community feels a legitimate grievance against the government. Let the record show that the minister does share a grudge against the member for Mayo. The member for Mayo only feels that he is doing a legitimate job by questioning the minister on what little effort the minister makes to service the riding. That is the duty of this member. It is too bad the minister feels a grudge for my efforts.

The community of Keno, next on the list, is a community that is looking for a town survey. The minister is surely aware that the member for Mayo sat down with his officials to discuss the proposals from the community to survey the town.

Mr. McDonald: The commitment that I received was that the Department of Municipal and Community Affairs would encourage a person who had already done a private survey or a portion of a private survey of the community to finish that town survey with the promise that the government would in fact check the survey to certify whether or not it was true and valid and, furthermore, that they would identify the owners of plots and blocks of land in the community. Can the minister give me an update as to what stage that process is now being fulfilled?

Hon. Mr. Lang: I do not know if the member opposite received the correspondence I sent to him on this matter.

Mr. McDonald: It is old news.

Hon. Mr. Lang: Well, if it is old news, then what are we putting it back in *Hansard* for? I mean, the member opposite accuses me of saying, look, I take care of Porter Creek East and he sits up here and I have spent half-an-hour of my time talking about his community. I just want to say to the member opposite, the only method that could be used in an attempt to authenticate the recent partial survey of the Keno townsite would be for the government to repeat and duplicate the initial survey at considerable cost and expense, which was in your letter. Such a repeat survey in any case would have very little, if any, legal meaning — that is what we have been told — as it is the courts that would ultimately decide if there were property line disputes. Therefore, I wrote you the correspondence on this because we did a considerable amount of research on it and I suppose it does not meet the aspirations of the member opposite.

You are an expert in placer mining, an expert in farming, and maybe you are a surveyor. Maybe you can go out and do it yourself.

Mr. McDonald: Obviously the minister has not been briefed by his officials since the letter was sent, because there have been significant developments since that letter was sent. What I would suggest is that the minister get together with his deputy minister and they at least go over what happened during the meeting and just find out what agreement was made. I do not think it is any waste of time to discuss these communities in this legislature.

Mr. McDonald: These issues have not been aired in the legislature often, before, and I wish that they would be now. I resent being chastized for bringing them up in public.

I would reiterate there were, in my opinion, three commitments that the department had made. Obviously, the minister is quite ignorant of them, despite his bravado, and I wish that he would review those commitments and perhaps give me an update or direct his department officials to give me an update as to where they stand.

I would now turn to the issue of agriculture. I am sure the minister is aware that Question Period has not been a proper

vehicles for eliciting information from the minister. It has, in fact, been a very poor vehicle for that purpose. The minister has not been very forthcoming in his delivery on various subjects, so I would like to take the opportunity now just to test the minister's knowledge and to find out exactly what the Department of Agriculture is doing.

The minister made mention that the department and the Agriculture Development Council is making a point of meeting with the YLIA to solve many of the agricultural problems in the territory. Before we get into that, could the minister define the difference between the department and the Agriculture Development Council?

In the public mind, at least, the perception is that the department and the council are, essentially, one and the same, or, at least, members of the department and the council are one and the same. Certainly, the council has been given some of the duties of bureaucrats and it would be interesting to know the minister's feelings on that.

Hon. Mr. Lang: I do not agree with the member opposite.

Mr. McDonald: I thank the minister for not even letting me sit down for a moment.

The fact remains that the agriculture development council is more a bureaucratic institution than it is an advisory council. The minister made mention of the fact that agricultural land, which is at this moment federal Crown land, is not being transferred with the alacrity that the minister, the farmer, and the opposition would like to see. I am wondering if the minister would elaborate on that and tell us whether or not he has communicated with federal lands officials to discover the specific reasons why the land in areas where land selections have already been identified for native communities, cannot be transferred, or are not being transferred, to territorial jurisdiction?

Hon. Mr. Lang: We have been trying to work it out in a very amicable and cooperative manner with the federal government, so that a land transfer could be effected between the two levels of government and the land could be made available to the general purposes that we feel, as a government, should be put in place. We are finding in our discussions with the Government of Canada, between officials, that we have to justify every square inch of land that is to be transferred to the Government of the Yukon Territory.

In my opening remarks, you will recall that I made a comment about this. If you take the north and south areas of the outer extremities of Whitehorse, there has been extensive planning done. We have been told those areas will not be transferred in a block but we have to pick out specific areas. If we are lucky, they may permit a portion of that land to be transferred to us. It is very difficult for our officials. It is very difficult for the federal officials who have to enforce what I term as a stupid and idiotic policy. It is total and absolute discrimination, in my view, to the people of this territory, to negotiate with a method of that kind. On one hand, you have the native land claims, where there are very general principles agreed to, and once agreed to it was transferred, in most part as large blocks of land.

Mr. McDonald: In our particular case, the government that represents the native and non-native people of this territory, we have to go out and justify every square inch and then we might get a transfer. That is the major problem with the policy of the Government of Canada. I am in the process of communicating with the Minister of Indian Affairs and Northern Development to register our very strong objections to this policy that is presently in effect. As I indicated, I believe in Question Period, it is great for the bureaucrats, great for the surveyors, but it is of no value, in my opinion, to the general public.

I just want to emphasize to this House that it is not our fault. We are doing everything we possibly can to try to effect a transfer that is orderly and that would be a political credit to this government and to the Government of Canada. But when we are stuck with a policy that I have outlined to the member opposite, it is very difficult to continue to cooperate. I am sure the members opposite or the member opposite will be standing up criticizing because we are not getting along with the senior level of government. In my view, the policy they have is totally and absolutely ridiculous. I think the Minister of Indian Affairs and Northern Development has

a responsibility to step in and resolve this.

Mr. McDonald: I agree with what the minister has said. I may not have used the same rhetoric, but I agree fundamentally with what the minister said. Obviously, if the federal government owns the land and the land is not being transferred, therefore the problem must be at least in part their problem. My understanding was that there had been an agreement, in general principles, that agricultural land would be given some sort of preference in the transfer of land. At one point, there was some puzzle as to whether or not the Yukon government's agricultural policy was in fact acceptable to federal officials. I have since been informed that that policy has been crossed and that that is no longer an issue of contention

« I am trying to work out in my own mind where the issue of contention is. If the federal government is holding up the process of transferring land, has the minister discovered what issues the federal government is using and what reasons the federal government is using to prevent the land transfers from taking place?

Hon. Mr. Lang: Let us get our cards on the table. In the broadest sense, in the broadest principle, the fact is that, when the land is transferred to the Government of the Yukon Territory, there will be a lot of federal bureaucrats in Ottawa who will not have jobs. That is what the bottom line is and we are going to be continuously fighting this until we get a sympathetic political arm of government that is going to say to the people of the territory, here is a transfer, here is how it is going to be transferred to you, in an orderly manner, and you can get on with your work.

Until that happens and until you have the politician who is prepared to step in and say, "This is the way it shall be done and it will be done", we are going to be caught in this situation. I am like you and I agree with you; we cross one hurdle and then, all of a sudden there is another one put in our way and another one.

I am sure that the leader of the opposition, who happened, at one time, to be an alderperson in the City of Whitehorse, can recall when the north and south planning was underway and it went on with a great deal of debate, for, I believe a year and a half or two years, back in the mid- to late 70's. Now, the Government of Canada says, "No, we cannot transfer that land to you. You have to justify every little valley, every little acre, every little creek, every little tree". Well, I do not have enough civil servants to go out and do that, to start with, and neither do we have to hire that many, and I am sure the Government of Canada does not. If you want me to go on with this subject at length, I am more than prepared to.

Mr. Penikett: The minister says he does not have enough civil servants. He also suggests that there will be some civil servants out of work, if they gave up the land. Has the minister considered, perhaps, taking a package deal from Ottawa? We get a lot of the land and we take a bunch of the civil servants, on an approval basis, of course, and, if we do not like them, we will send them back?

« **Mr. McDonald:** What I am trying to ask the minister is whether or not the minister has elicited what the latest federal government official policy hurdle happens to be at the present time?

It cannot be that their official claim at the moment is that they want to protect federal bureaucratic jobs. Even if they believe that, that would not be the official policy of the federal government. I cannot believe that they would be that ridiculous about it. I want to know if the minister has made any effort to find out what the official hurdle at this time happens to be. We have in the past been told that we did not have to justify every square inch, and that if we can prove some land to have some agricultural potential, and that we can prove that there are no significant land use conflicts, which we may or may not foresee, that we would have this land transferred. Is there an official federal policy hurdle at the moment?

Hon. Mr. Lang: I indicated that we were in process of trying to find out what the official policy of the government is now. It changes. If an issue has been resolved, then there is another policy problem. I will try to find out for the member exactly what the present policy problem is.

Mr. McDonald: I would accept the minister's undertaking. What I considered to be the last policy hurdle — that of the fact that perhaps the Yukon government did not have an adequate agriculture policy — has been passed for some time. We have been in a waiting position where the federal government has not provided us with any

official reasons why the land transfers cannot take place.

I think it is incumbent upon the minister to get out there and do everything he can to, at least, find out what we are supposedly up against here. If he is not doing that, he ought to be.

« We dealt with, some time ago, the issue of land use conflicts. The claim that was made by a number of constituents of mine was that once they applied for agricultural lands in the territory — they applied through the Agriculture Development Council, for federal Crown lands — the Agriculture Development Council would assess the property for its agricultural potential, but they would not, in fact, deal with federal departments who have an interest in protecting various resources, such as water resources, fisheries resources, or forestry resources. What the prospective farmers would have to do would be to get approval from the territorial government and then canvass the multitude of federal departments to determine whether or not their application was going to be passed.

Could the minister comment on those remarks? He had said, in the past, that there is what is termed a "one window approach" to applying for agricultural land, and that all territorial government departments were canvassed. However, he did not say whether or not it was the policy of the government to encourage a one window approach that included federal departments, which are equally, if not more, important than the territorial government departments. Has the minister anything further to say on that score?

Hon. Mr. Lang: No.

Mr. McDonald: That is very unfortunate, because the government has been given considerable notice of this issue. A question was asked some time ago. This is a significant issue for farmers and I know that the minister is always fully up to date on what his department is doing, and agriculture policy, in general. So, I assumed that he would be right on top of this issue, as well.

The representation I have just made, I think, is a valid one. I think that the government ought to include the canvassing of departments to determine land use conflicts — the various departments — because, like it or not, they are given a statutory responsibility in the territory, which cannot be ignored. There are, or there could conceivably be, a number of land use conflicts around the territory. One might be the passing over of good agriculture land that may also be a good forest stand.

« It could be weighting the relative value of both those resources. There are a number of other land use conflicts that may occur and which the federal departments would have a direct interest in. We would be doing our farmers a favour if we were able to provide this bureaucratic service for them. I will leave that with the minister. Perhaps he will take the trouble to investigate the issue himself.

Another issue that has been brought up before has been the issue of farm credit for farmers in the territory. The minister has stated in Question Period that he is prepared to hang his hat on the terms and conditions of loans that the Federal Farm Credit Corporation provides to farmers. I, myself, called on the government to encourage the Federal Farm Credit Corporation to come into the territory but I feel, as well, that perhaps the FFCC may not be as valuable a lender as once perceived. There is indication, for example, in the south that they are abandoning the long-term credit market to private sector people. I made a claim in Question Period — I made a representation for which I apologize to the Speaker — that the Federal Farm Credit Corporation with its 14 percent long-term loan rate for farmers was in fact greater than loan rates that other financial organizations would be prepared to offer. I think, at 13¼ percent. The minister disputed those figures or said he would not accept those figures until he had checked into the issue. I would like to ask the minister whether or not he has checked into the issue and whether or not he can provide us with any update as to his feelings about the nature of the farm credit corporation?

Hon. Mr. Lang: I do not have an update in respect to that. I appreciate the member's comments and I will take them into consideration.

« **Mr. McDonald:** That is the answer I got in Question Period a few weeks ago. I guess there is no point in continuing with that.

There have been questions in Question Period regarding interest

rate relief for farmers. There have been positions taken down south that various provincial jurisdictions are offering to cover some of the high interest rates that farmers do pay in southern jurisdictions in order that they may better encourage the farming industry. I wonder if the minister has considered this proposal for Yukon and whether or not we could expect any action on this score in the near or long term future?

Hon. Mr. Lang: As the member knows, the situation of land in Saskatchewan is much different than it is here. The people who are purchasing the land there are purchasing it at very high costs because the land has already been developed and is privately held. Here, we are giving our land out in what I believe to be a fair manner, at a very minimal cost to them, as far as government is concerned. The real cost is in the actual development.

I should point out that we do not have anything included in this budget for that purpose. There is no doubt in my mind the loan assistance program that was introduced this afternoon, in some aspects I am sure, could apply, if they met the terms and conditions as far as the dollars were concerned. There is nothing here at the present time. I recognize that it is easy for the member opposite to stand up and say he thinks that we should be doing that or this. I would appreciate it if, at the same time, he could stand up and say that there is a government program over here that can be done without so that would give us an idea of what the priorities are.

I will take the considerations of the member opposite in consideration. The MLA for Hootalinqua has been very concerned with this particular area and is pursuing it with me and looking at various options as to what could be done in the future. I have indicated to the association that we are going to be moving in consort with them. I think we will have a couple of success stories here within the next year, as far as the agriculture community is concerned, and it gives it that much more credibility for the further actions by government. I think we are going to have to move hand in hand. I think there has been a common acceptance by the farming community that that is probably the most responsible way to proceed.

⁵⁷ That is the method we intend to proceed with. I want to say to the member opposite that we will carry out our responsibilities, as we see them, and what is in the best interest of this particular sector when the time arrives.

Mr. McDonald: I would like to draw to the minister's attention that we have a number of success stories in Yukon, right now, with regard to farms. They are not modest success stories, either, they are rather significant ones. So, I would have thought that we have already seen the evidence and, perhaps, this is an industry we ought to promote in some special way, for all of the obvious reasons. It keeps the money in the communities; it ties people to land; it encourages people to stay in Yukon and have ties to the land. There are all sorts of good reasons why we ought to promote the industry.

It is a cottage industry, it is not a megabuck industry. I understand that the minister may have troubles grasping the nature of such an industry but, nevertheless, I think it is a significant one to a large number of Yukoners. Even a larger number of Yukoners are encouraging the farming industry, from a distance.

To address some of the remarks made by the minister, the farming industry has suggested a number of initiatives that they would like to see taken or investigated by the Department of Agriculture. We will have to see whether or not the Department of Agriculture is going to respond.

The difference between Yukon and Saskatchewan, as far as farming ventures go, I think is an obvious one. Saskatchewan is an established farming area. It has its own problems and it has its own reasons for giving out low interest loans to those farmers. We have different reasons for giving out low interest loans but, nevertheless, the reasons are equally as legitimate. There is, as the minister can appreciate, hardship associated with pioneering agriculture in Yukon. I am sure the minister would consider giving this area of government initiative increased priority.

The minister mentioned the business loans bill, which he tabled this afternoon. I do not recall seeing any provision in the eligibility requirements that specifically referred to farming ventures.

⁵⁸ I would like to discover whether or not farming ventures are in

fact considered in that bill.

The minister made mention in his opening remarks this afternoon of new health standards and health guidelines. I wonder if the minister could explain what the anticipated program might mean, who it applies to and what the ramifications and effects of the program will be?

Hon. Mr. Lang: We are just doing the research now and I do not have the information as of yet. I just wanted to indicate to the member opposite the areas we are looking at in the forthcoming year.

Mr. McDonald: This is *deja vu*. I am reliving Question Period and it is difficult for me to handle that.

I do not believe that the minister needs further representation from the member for Mayo. I believe the representation has been made a number of times before regarding the health issue — the member for Hootalinqua is shaking his head vigorously — I think we will be watching closely for the policy as it comes down. The minister's department has been floating a policy regarding grazing leases around the territory, and the minister mentioned that the policy was still at the Cabinet stage or was still not past the Cabinet stage. Is the policy a Cabinet-approved policy and the grazing lease policy a Cabinet-approved policy? Is the policy being floated by the department to encourage public reaction? I wonder if the minister could just explain the nature of the policy and how they regard the issue of policy floating in general.

Hon. Mr. Lang: The policy, the way I understand it, was sent out to a number of organizations just for initial comment, to bring it back in for a further review, and then I would proceed with a proposed policy in a general sense. From there, we would probably have to bring in the legislation.

Mr. McDonald: The most I could say, by way of explanation, is that I think it is rather an intelligent way to promote good discussion in the territory. I do not believe that the department should not be taking any initiatives for fear of making mistakes. I think the department should be floating policies it may have. Any shortcomings that the policies may have will be discussed in the agricultural organizations throughout the territory.

⁵⁹ We may be very happy to hear that this is the last of bringing in legislation. At least we know that that the issue would come before the House and I am very happy to hear that.

Perhaps the minister, before we leave this one subject, could just tell us, besides health and grazing, which I assume is going to be going out in a way of policy, what other policies is the Department of Agriculture going to be floating to encourage public debate and to get the government moving on various issues?

Hon. Mr. Lang: We are looking at the question of the grazing policies, as the member indicated and the *Public Health Act*, as far as animals are concerned. We are undertaking a number of cost-shared on-farm demonstrations of experimental projects. Further to that, we are going to be continuing our disposition of land, over the course of this year and, hopefully, I can figure out what the Government of Canada is doing.

I also have indicated publicly that I will be proposing, this year, that the present land regulations for land disposition be incorporated into legislation — I am hoping for fall, if it is feasible — continued provisions for extension services and agriculture seminars and indication programs; we are looking at further access to federal government agricultural programs, if they can become available. I do not know what more I can say. I think we are going to be fairly busy.

Mr. McDonald: Heck, I appreciate the minister's repetition of his opening comments.

The two policies that were referred to, which were the health policy and the grazing policy, would both, I assume, be floated in the manner in which the grazing policy is currently being floated, to encourage public discussion on those issues. The other items that the minister mentioned: land, the on-farm demonstration projects, land regulations and legislation, the educational programs and the encouragement to get the federal government to participate in agricultural projects in Yukon, are not, themselves, the subject of policy papers. I am thinking, rather, in terms of issues such as marketing, such as land use conflict.

⁶⁰ On the various issues that would properly be conceived as policy issues that I know farmers are talking about, I am wondering whether the government has taken any initiative or whether the government is heeding to farmers requests to consider policy in those areas?

Hon. Mr. Lang: We have indicated that we are more than prepared to work with the association in respect to the question of marketing.

Mr. McDonald: It has been a long session, I realize that. The time is getting late. The answers are not coming. Perhaps the minister is not familiar with the answers and that is fair, I guess. It is unfortunate, but it is fair.

There are some aspects to the issue of marketing that various people would like to see addressed. There has been a food prices review committee report that encouraged the government to give a one-time grant to various communities in Yukon, especially Whitehorse, to set up a farmers' market. Is the minister familiar with the issue at all and, if he is familiar, could he tell the House everything he knows about that issue so that we might be educated ourselves?

Hon. Mr. Lang: I would much rather — and I am sure all the members would prefer — listen to the member opposite speak on the subject.

Mr. McDonald: With all due respect, I have made more knowledge available to the legislature by way of illegal representation in Question Period than I have got from answers from the minister in Question Period or in Committee debate. I think I have done my share. The minister does not want to answer any questions on marketing, okay.

The Yukon Livestock and Agriculture Association requested, in a letter dated the 12th of February, some money for a grant allocation so that it might be able to provide such money to its executives so that they might get together and help in the policy formulation for the government, regarding agricultural policy, to facilitate that whole process so they can encourage better communication links and faster, more expeditious policy development.

⁶¹ Can the minister just state why the \$10,000 is not to be offered this fiscal year?

Hon. Mr. Lang: Could I ask the member opposite if he has a copy of the reply that I sent to that letter?

Mr. McDonald: No, I do not.

Hon. Mr. Lang: It was done for a number of reasons. First of all, our budgeting process had been completed by the time we had received the letter from the previous president. Further, with respect to the amount of dollars they were asking for, it was our opinion, at least at this time, that we should not be transferring dollars to the association in view of our financial situation. We were much better off with \$10,000 in our capital budget for the purposes of the experimenting we had initiated in conjunction with the farming industry.

Mr. McDonald: Can the minister say whether or not the reasons as he provided in his letter to the industry will be valid? Are those reasons valid for all time or will there be reconsideration of that for the next year?

Hon. Mr. Lang: If we contracted with the association to do something, then perhaps there is maybe a vehicle there for dollars. But at the present time, the policy stands.

Mr. McDonald: The minister has been asked in Question Period about any replies he may have received from the hon. Eugene Whelan, Minister of Agriculture. The minister made mention that replies to some aspects of the letter may be imminent. I wonder if he has received any written or verbal replies regarding any of the issues stated in the letter besides the Federal Farm Credit Corporation, for which we know the answer?

Hon. Mr. Lang: No.

Mr. McDonald: Has the minister sent a tracer letter to the federal minister's office to find out why the minister has not decided to reply to the minister's letter?

Hon. Mr. Lang: No. Has the member opposite written to the minister?

Mr. McDonald: No, I have not written to the minister, but maybe I should, and we might get something going here.

⁶² I am, unfortunately, not a minister of the Crown and therefore may not have as much clout as the minister. I may have as much credibility, but not as much clout.

The one other issue I would like to discuss is the issue of Revenue Canada's decision to allocate or allow farmers to deduct \$5,000 in losses against or off farm income. The minister mentioned that he had received information that the figure had been raised from \$5,000 to \$20,000. My information, subsequent to the minister's answer seemed to suggest that the federal government had only formed a policy committee to determine whether or not the raise from \$5,000 to \$20,000 would be necessary. I wonder if the minister has checked into the situation and can come to some conclusive answers as to the real nature of this Revenue Canada initiative?

Hon. Mr. Lang: I will have to check.

Mr. McDonald: I wonder if it would be possible to ask the minister if he would come back during the session with answers on some of these questions so that I might feel that I have left this session with some information about agriculture or any information at all, just for my own satisfaction?

Hon. Mr. Lang: The member is always free to write to me. He is always free to come into my office. I believe I have given him all the information that I have. The member opposite, once again, no matter what you do for him he is not satisfied in any event. If he wants to write a letter to me and ask me a specific question, he will get a reply to any question he puts to me.

Mr. McDonald: One of the benefits of dealing with these issues in public is that there is a *Hansard* and there is an official record that makes my filing system that much easier. I do not have to make many of these initiatives outside the House. I have other things to do. I can make them inside the House on the public record and everybody can see what the situation actually is.

⁶³ That is why I would like to encourage a good give and take, a good question and answer, a fruitful question period, whether it be in official Question Period or whether it be in the committee, so that we can establish what exactly is going on within the government department.

I would like to encourage the minister, if he would be prepared to do so, to provide such information before the Session ends, or ask his department to send me the information. Perhaps I could table it or something of that nature. These are issues that some members of the farming community and the leadership of some farming organizations transmitted to me. I know that they have transmitted them to the department, as well, for obvious reasons. I am merely checking into the status of requests for information as to government positions on various issues.

I do not think it is unreasonable. I do not think the questioning has been destructive. I think it has been quite constructive, in the past, and I hope that this side of the House can continue this constructive criticism, this constructive debate, in order to promote the industry, which I think is a very valuable industry. I wish the minister would reciprocate by providing the kind of information that the industry needs, in order to ensure that certain questions are answered and that industry can thrive, in a proper and healthy manner.

Hon. Mr. Lang: I just want to close this aspect of the debate off by saying that those people who are looking for answers to questions, or those who have questions to put forward, can correspond directly with me and then I will not have to shoot the messenger.

Mr. Chairman: If there is no further debate, we will go on to Administration, page 196.

On Administration

Administration in the amount of \$239,000 agreed to

On Lands

Lands in the amount of \$398,000 agreed to

On Protective Services

On Protective Services

Protective Services in the amount of \$793,000 agreed to

On Ambulance Services

Ambulance Services in the amount of \$548,000 agreed to
Protective Services in the amount of \$1,341,000 agreed to

On Assessment Services

Assessment Services in the amount of \$336,000 agreed to

*On Municipal Administration**On Administration*

Administration in the amount of \$190,000 agreed to

On Municipal Grants/Contributions

Municipal Grants/Contributions in the amount of \$4,271,000
agreed Municipal Administration in the amount of \$4,461,000
agreed to

On Municipal Engineering

Mr. Penikett: I have one question here concerning the community television system. The minister will be aware that the CRTC has been changing some of the rules about the licensing of television and remote television systems as a result of the cable, satellite and pay TV and so forth. Can the minister tell us what the status of the system that the YTG finances is as far as the CRTC is concerned and whether there has been any indication from the licensing agency about a change in status or new regulations it would have to meet?

Hon. Mr. Lang: No, there has been no change, other than the fact that we have upgraded the present system that we have taken responsibility for over the course of last year as well as the beginning of this year. Capital-wise, if you recall, we spent about \$150,000 to upgrade it to get it up to a standard for the 'eighties, but there has been no change as far as licensing is concerned. I can understand the question, because it gets very confusing about these edicts coming out of Ottawa and how they affect various areas.

On Administration

Administration in the amount of \$221,000 agreed to

On Unincorporated Communities

Unincorporated Communities in the amount of \$203,000 agreed to

On Special Programs

Special Programs in the amount of \$181,000 agreed to

Municipal Engineering in the amount of \$605,000 agreed to

Department of Municipal and Community Affairs in the amount of \$7,380,000 agreed to

Mr. Chairman: We shall recess for 10 minutes and continue with Highways when we return.

Recess

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

We are now on the Department of Highways and Transportation.

On Department of Highways and Transportation

Hon. Mr. Tracey: The highways and transportation department's estimates are increased from \$30.5 million to \$30.7 million: this is an increase of only one percent. As you will note when we review the estimates' details, there are some significant increases and decreases.

Major increases occurred in the airports branch administration and airports branch operation and maintenance. The transportation services branch and the departmental administration provisions allow for significant increases. A decrease occurs under highways branch maintenance. These increases and decreases reflect changing needs within the department.

The quality and cost effectiveness of highways maintenance has improved, due to the accelerated BST programs, over the last few years, and an increased productivity of equipment and personnel. These programs are continuing.

The extensive BST on the Alaska Highway is now resulting in overall cost savings. Cost increases are generated by proposed staff increases in administration and airports. As the scope of programs expand, additional help is required.

I am generally pleased with the direction the department is moving in. All efforts are being made to meet departmental objectives, which are almost exclusively aimed toward service to the public, both directly to those using the transportation infrastructure and, indirectly, through provision of transportation by various carriers.

The budget tabled here will provide for an ongoing, high standard of service to the public and I am sure will be supported by my colleague, the Minister of Tourism, Recreation and Culture, as improved highways are an important factor in developing the tourist industry.

Mr. Byblow: I hope I do not disappoint the minister if, in the course of the transportation debate, I am not as thorough or lengthy as the critic for health and human resources or, perhaps, as long as the debate in education. I am sure that if there is any reduced debate, my colleague for Mayo will pick it up.

I am sure the minister will appreciate my position. The minister, as a new minister to highways and transportation, is still probably getting somewhat adjusted to his role. Certainly, as the new critic to transportation, I am getting adjusted to mine. The minister will recall that, about a week ago, we spent 40 minutes examining roads in the territory. With that sort of prelude and introduction to budgetary allocations, we certainly did waive the need for some debate on issues.

I do have, however, several questions I wish to clear away in general debate, which in turn may expedite line item debate. The first one may sound like one that has been debated in every highways budget over the past five years. It still requires some clarification because it is a fairly serious matter.

My first enquiry surrounds planning and budgetary allocations. I would like to understand a little more clearly how this department establishes its budgetary allocations for the road upgrading that does take place.

We have a \$30,000,000 budget in front of us, about \$10,000,000 of that is strictly for the Alaska Highway agreement that exists with the federal government. That leaves, in a simplified way, \$20,000,000 under the direct administration and delivery by this government of transportation related needs. In the first instance, regarding planning, we have often had the question come up about whether or not our planning process is adequate enough to meet the long-term life of the road. For the sake of a better term, we could call that road tenure. We now have a policy where we are upgrading by BST. We know that the life of that BST varies from road to road, and condition to condition, and usage to usage.

We probably do not have enough data at this point to determine exactly how long that BST is going to last. So, often in our planning process we may not be planning ahead enough in terms of our budgeting to cover the deterioration of these roads that take place through a cyclical process.

This is the general area that I want a little more clarification about. I am only talking about the \$20,000,000 portion of the budget. I have a couple of questions about the Alaska highway later. How does this government determine its budgetary allocations to ensure that it has the money in place to keep up the needs of highways as they deteriorate and, at the same time, the planning for expansion to the road network. Could the minister at the same time talk about his knowledge or the department's knowledge at this time about life expectancy of BST and especially so since it is obviously progressive policy of the highways department to use it?

Hon. Mr. Tracey: I am glad the member across the floor says he does not have that much time to spend on it and that he is just a new critic and I am a new minister. If you will look at the first page of the budget, you will see that Dan Lang is still the minister. I asked the government leader if that was meant to tell me something.

The way we develop our budget for maintenance of roads is through the Jorgensen system and perhaps I should explain how this takes place. What the Jorgensen system is is that everything that is on a road from a guardrail to a culvert is all itemized. Everything that is on a section of road is itemized. So, after you have everything itemized — all the things that you have on the road, your shoulders, your backslopes, your guardrails and culverts — all of those things are itemized and when you are working on the

Jorgensen system you take a section of road and you pull out everything that is in it, and every one of those itemized sections is given a figure of how much it is going to cost to maintain it over a period of five years or ten years, or whatever.

We usually work on a five-year program. So, over a five-year program, you are going to have to do so much work on a culvert, you are going to have to do so much work on guardrails and, you are going to have to pull the ditches every so often. If you have everything broken down and itemized, you can then take every one of these things and you can, in a five-year period, put a number on how much it is going to cost. From there, it is very simple to work out your budget.

That is how the Jorgensen system works. For example, the grading of a road: for a certain standard of road, you cover the road six times a year. Grading of a road six times a year requires so many miles by a grader. The distance that a grader goes in one day and how much road a grader will grade in a day is known. So, all you have to do is know what your road standard is, how many miles it is going to take, and you can say how much it is going to cost for grading. That is how maintenance is calculated under the Jorgensen system, and that is why we can say to the federal government: this is how much money we are going to need for "X" roads, done to a certain standard. If we increase the standard, then we increase the requirements under the Jorgensen system, so we need more money.

As far as BST goes, BST is just a maintenance feature. It is not a capital feature, it is a maintenance feature, and we feel that if we can get four years out of BST we have more than recovered the cost of regular maintenance of the road, such as grading and watering. We feel that four years will recover that maintenance cost. That is why we are going to BST, because it is cheaper, and it is better for the customer, and better for the person using the road. BST is not a capital project. You can fairly easily see how we work out the cost of maintaining a road in the territory.

Certain roads are certain standards. If they are roads such as the Klondike Highway they are at one standard. If it is the Alaska Highway, it is another standard. If it is the Campbell Highway, it is a different standard. They all require different levels of maintenance. In a nutshell, that is how the calculation of maintenance of a road is figured out.

Mr. Byblow: I appreciate the minister's explanations surrounding budgetary allocations for maintenance. I have some familiarity with the Jorgensen system, because some years ago we dealt with that in Public Accounts Committee.

The minister talks about BST as having a life of four years. I have a couple of questions. Because the minister says that BST is distinctly cheaper than maintaining a highway normally, I would be curious whether or not the Jorgensen system can be applied to BST? I am not clear on that because I understood that it dealt primarily with non-surfaced roads. The minister can clarify that for me.

Hon. Mr. Tracey: Yes, it could be applied to BST but it would all depend on the base the BST is put on, whether it is put on a base such as we had prepared on the Klondike Highway for pavement — and then went to BST — or whether it is just put on the Klondike Highway, such as we did last year, with a base that was not up to the same standard as the asphalt base. It all depends on the base as well. You can certainly work it under the Jorgensen system once you have worked out what the base is and how long it will last on that base.

Mr. Byblow: The minister is quite correct. The base to any road is critical in terms of its life.

If I can interpret government policy respecting road maintenance and development, I would conclude that because of the increased development of BST on the major corridors, a reduced maintenance on those highways appears to be developing. Quite clearly, if the cost is less to maintain BST, then the cost is less to maintain that highway.

There has got to be some translating factors developing out of that meaning that you must be expected to have less people involved in the maintenance. Is that happening and how is the department responding to that?

The next natural question that would follow from that would be to talk the policy of decentralization in highways. Highways camps

are located throughout the territory on the basis of so many miles of road service to look after and highways camps are so far apart. That is happening, with respect to the policy of decentralization, because, if you have fewer personnel to maintain the highway corridors, you must be doing something with those personnel. Are they emanating to Whitehorse, and you have, in fact, a policy of centralization?

Hon. Mr. Tracey: Yes, the BST is having an effect, as I just said in my opening remarks. The cost of maintenance is down and, so, you will see that we only have \$200,000 more in the budget than we did last year. Certainly, I think that everyone recognizes that costs went up more than \$200,000 on a \$30 million budget. So, actually, there are savings and the savings are in the maintenance because the BST, the surface that is on the road, does not require that much maintenance.

Naturally, over a period of time, it is going to reduce the requirements for the manpower, and not just the manpower, but also the type of equipment you have. For example, we are now buying lighter graders, because we feel that we do not have to spend that much time grading the road. If we get it into shape and BST it, we reduce our requirement for graders. We are selling off most of our Cats. We have got rid of the Caterpillars because we do not need them, anymore.

We are moving out of the heavier construction equipment and into the lighter stuff. We bought five-ton dump trucks, instead of the big tandem Kenworths. We are going into smaller equipment, but that is labour intensive. Patching BST, for example, is labour intensive; it takes people to do the job.

So, we might not have less manpower, but we are using less heavy equipment, which is saving the government money. It is our obligation, actually, to save the taxpayers as much money as possible, regardless of whether it is the Canada taxpayer or whether it is a Yukon taxpayer. Ultimately, we are all taxpayers and we are all paying the bill.

Also, we are adding roads. We added the Hunker Road, we have added the Freegold Road, we have added the Nansen Road, and we have added Clinton Creek Road and the Sixty-Mile Road. Duncan Creek Road we are maintaining on a higher level, now. All of those roads are being added and the same group of people, for the same amount of money, are maintaining more roads every year.

Mr. Byblow: I know my colleague from Mayo has some questions, but I have a couple more. Developing the policy guidelines that the minister explained, about what happens to personnel and reduced maintenance, I would conclude from the what the minister is saying that we do not have a reduction in personnel because the personnel are still required to maintain the standard, regardless of whether it is BST or gravel or other. Where we are having the cost savings is in equipment and that is reflecting in reduced maintenance costs. Is it that simple?

Hon. Mr. Tracey: Yes. It is just about that simple. It is the savings in equipment. We use lighter equipment, or we reduce the requirement for equipment and also the maintenance costs of that equipment is down because we do not have it anymore.

Mr. Byblow: The minister said that, at the same time that they are maintaining the current corridors of transportation, they are also developing new roads. What is the criteria that government uses to upgrade a particular poor road to a better road, whichever classification it falls into? Again, I am familiar with the classification systems and I am familiar with the factors that go into classifying roads. We have situations where there have been certain roads that have been upgraded that one would, or could, suspect have been arbitrarily upgraded. How does the minister clarify the choice of upgrading certain roads to a better classification?

Hon. Mr. Tracey: I think some of them have been arbitrarily upgraded, such as the Duncan Creek Road, which the member for Mayo has consistently asked for something to be done to and we are doing it. Let us face it, the demands of people are also affected. In most cases, it is because of the traffic on the road and where the road goes, and whether you do not want to lose the road. Once you have a road there, you are better off to maintain it and keep it there, even if your actual capital investment in the road, in the short-term, is not recovered. Over the long term, because you have had the road

there and you have maintained it, you are going to save yourself a lot of money. Once a road is built, it is senseless to allow it to deteriorate to a state where it starts to grow over and you cannot utilize it anymore. That is another decision.

Most of the roads that we have upgraded in the last couple of years have been because there has been a lot of activity out there. There is a lot of mining activity going on in the Hunker Creek or Freegold or Mount Nansen area. There is a lot of activity going on. There is mining activity in the Duncan Creek area. We are also trying to get better access into Keno. We are trying to help that area and develop that circle route for the tourism industry. There are many things that are involved in maintaining a road.

The Clinton Creek Road, for example, as probably all members in the House know, is a very good road. Why allow it to deteriorate to a stage where it is useless to anyone; washes out or whatever? We are better off to maintain it for the small amount of money it costs to maintain it. There is a lot of traffic on it now, but five or 10 years from now, we may require that road again and spend 10 times as much trying to rebuild it.

Mr. Byblow: The next question that logically follows draws reference to earlier remarks about a change in the pattern of equipment retained by highways. A lot of the road upgrading that takes place, I conclude, is done by highways; it is not contracted out.

⁷¹ Is that correct?

Hon. Mr. Tracey: No, that is another reason we are getting out of a lot of this equipment, we are contracting it out. We contract it out and we BST the road and we do not require that much maintenance. The Department of Highways rebuilds very little road on its own. It is mostly contracted out. So, we try to get the most efficient use of our money.

There was one other thing I was going to say, while I was on my feet, but it slipped my mind.

Mr. Byblow: That clears away the majority of planning questions I have. I have some questions now relating to the contractual obligations that exist between this government and the federal government, on the Alaska Highway and, I believe, the Haines Road. The funding allocation for those roads, to do the maintenance and the upgrading, it would appear to me, is done by the federal government. Does this government have any input into the decision-making process that determines the amount of money and the level of upgrading or the standards that are kept?

Hon. Mr. Tracey: Yes, we have a great deal of input into it, but it is contractual with the federal government. The federal government pays us 106.5 percent of the cost of maintaining the road. We do the maintenance on a contract basis. We recover the total money that we expend on it, plus 6.5 percent for administration. That is the contract that we have with the federal government.

We have a great deal of input into whether the federal government is going to upgrade a road, what they are going to do with the upgrading. We make suggestions what upgrading should be done in certain areas, what areas should be done before others: all of those things we have a great deal to do with.

The federal government, naturally, because they are the one that puts up the money, has Public Works Canada do the engineering on most of it and they let most of those big contracts. In some areas, we are now moving into even administering all the contract money, such as the Dempster Highway. That is a federal responsibility, but the contract is all being maintained and supervised by us.

Mr. Byblow: In my mind, there seems to be some confusion that is taking place, in terms of policy, as to whose responsibility transportation corridors falls under. We have the Alaska Highway, the Haines Road, the Cantung Road and the Dempster Highway, all under the federal government responsibility of providing the funds and deciding, jointly, I assume, on the level of spending for the maintenance and upgrading of those roads. We have, on the other hand, the rest of the roads in the territory under the responsibility of this government. At the same time, we have the desire to make sure that we have transportation corridors and networks in place, with a view to the future.

I bring to mind the debate going on now surrounding the Cyprus Anvil ore haul and the potential of hauling that to tidewater, via the

Haines or the Skagway road.

⁷² What process takes place for the long-term planning of the transportation network in the territory? I recall in Question Period debate, we talked about the Tracey highway and its value to the transportation network of Yukon. I suspect there are other transportation corridors that are conducive towards development that would improve the efficiency of our transportation system. What is the planning process that takes place, with a view to the future, between the federal government and this government, towards funding and planning the total network system?

Hon. Mr. Tracey: As I have stated before, we are not involved so much in planning new roads right now. What we are interested in is getting the roads that we have up to standards that are required. There is no new road in the making that we are even planning right now. What we are doing though is, for example, on the North Canol, we have been very interested in upgrading that road. You have to remember where the money comes from and ultimately when the money comes from somewhere they want to have a little bit of say about it. In great many cases, they want to have a whole lot to say about it.

The federal government, because they are handing the money out, through Public Works Canada, in a great many instances wants to maintain control over that money and be involved in the contracts that are let. In some cases, like on the North Canol, they have not even turned it over to us. Ultimately, in two or three years, they are going to see the wisdom of their ways and turn it over to us. We feel that we can manage it better than they can. Still, they are the guys who are paying the money, so they have an awful lot to say about it.

In regard to a road like the Haines Road, that is a national highway. It is Highway No. 1. The federal government, British Columbia, Alberta, Saskatchewan, Manitoba — anywhere — are also involved in it. It is a federal highway.

Hon. Mr. Pearson: If I might just add for the edification of the member for Faro, the Government of Canada owns the resources and highways are the major development tool in the infrastructure. It is the Government of Canada that plans when and where they are going to develop the resources of this territory. They own them, ergo they decide when and where roads are going to be built. The initial construction of the roads is always the responsibility of the Government of Canada, unless they are recreational roads that we are interested in building. The initial construction of the development roads is always a responsibility of the Government of Canada. After all, they own the resources. We can always come down to that bottom line.

As the minister has stated, the Alaska Highway and the Haines Road are considered part of the Trans-Canada Highway system, and are owned and maintained by the federal government under the same contract as all the rest of the Trans-Canada Highway system in Canada. They pay the provinces 106 percent of the maintenance cost of the Trans-Canada Highway, or 106.5 percent of the maintenance cost, the same as they do here.

Mr. Byblow: I did not realize that the Haines Highway was considered part of the Trans-Canada network. That leads then to a question that I have respecting the current situation facing us today.

We have an investigation by the CTC on the transportation system in Yukon. That was requested by this government. That report was specifically to address the question of Cyprus Anvil.

⁷³ Now, as I see the report developing, it is not going to be addressing the long-term needs of transportation in Yukon. Perhaps that is an over-simplification, but what is the CTC supposed to do, besides address the question of economics on transporting Cyprus ore

Hon. Mr. Tracey: Number one, I will clarify that the CTC is not doing just the study on Cyprus Anvil. CTC was requested by us to do a study on the transportation requirements of the Yukon Territory; the ground transportation — they are also doing an air transportation, but that is the federal government — as to what we require now and what we are going to require in the short-term.

Cyprus Anvil is only one of the players in that equation. There are a great many others and that is why, when the first report came to us, the initial report, we requested them to go back and get more

information and give us a better picture. We felt that the Cyprus Anvil equation had entered too much into it, to the detriment of, perhaps, the territory, by not including some of the other things. So, that study is not just the Cyprus Anvil study, that is for the transportation requirements of the Yukon Territory.

Mr. Byblow: Just one question and the minister can give a brief answer. If the CTC report is addressing ground transportation, in its totality in the territory, why did the preliminary report come out addressing just the Cyprus question? It is not a big issue, but I would conclude that there is a final report that is going to be much broader than the one we are addressing, because of the current situation facing the economy here.

Hon. Mr. Tracey: It was focused towards the Skagway Road, because we are talking about another access to tidewater. It was focused on the Skagway Road. Why we sent it back and why we requested more information was because we did not feel that they dealt with the rest of the requirements of the territory and only dealt with Cyprus Anvil, or mostly with Cyprus Anvil, when they dealt with the Skagway Road. The Skagway Road is the main thrust of what we are interested in.

Mr. Chairman, I move that you report progress on Bill No. 12.

Motion agreed to

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

Motion agreed to

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of Committee?

Mr. Brewster: The Committee of the Whole has considered Bill No. 29, *An Act to Amend the Liquor Act*, and directed me to report the same with amendment.

Further, 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?

Mr. Penikett: I move that we adjourn.

Mr. Speaker: It has been moved by the hon. leader of the opposition that the House do now adjourn.

Motion agreed to

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

The House adjourned at 5:26 p.m.

The following Legislative Returns were tabled May 10, 1984:

84-4-16

Alexander Street Lodge (Ashley) Oral, *Hansard* p. 468

84-4-17

Liquor Licences — Kopper King and Kluane Park Lodge (Ashley) W.Q. No. 5

84-4-18

Yukon Liquor Corporation and acceptance of gifts from suppliers (Ashley) W.Q. No. 4

The following Sessional papers were tabled May 10, 1984:

84-4-23

Letter from Governor Sheffield to U.S. Senator Murkowski regarding White Pass and Yukon Railroad (Penikett)

84-4-24

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