Yukon Legislative Assembly
SPEAKER -- Honourable Donald Taylor, MLA, Watson Lake
DEPUTY SPEAKER -- Bill Brewster, MLA, Kluane

CABINET MINISTERS

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<td>Hon. Dan Lang</td>
<td>Whitehorse Porter Creek East</td>
<td>Minister responsible for Community and Transportation Services; Education; and, Government Services.</td>
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<td>Hon. Howard Tracey</td>
<td>Tatchun</td>
<td>Minister responsible for Economic Development and Tourism; and, Renewable Resources.</td>
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<td>Hon. Andy Phillipsen</td>
<td>Whitehorse Porter Creek West</td>
<td>Minister responsible for Justice; and, Health and Human Resources.</td>
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GOVERNMENT MEMBERS
(Progressive Conservative)

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OPPOSITION MEMBERS
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<td>Piers McDonald</td>
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(Independent)

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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
A bill entitled Canada and the United Kingdom Reciprocal Recognition and Enforcement of Judgments Act be now introduced and read the first time.

Mr. Speaker: It has been moved by the Honourable Minister of Justice that the bill entitled Canada and the United Kingdom Reciprocal Recognition and Enforcement of Judgments Act be now introduced and read the first time.

Motion agreed to

Mr. Speaker: Are there any further Bills for introduction? Notices of Motion for the Production of Papers.

NOTICES OF MOTION FOR THE PRODUCTION OF PAPERS

Mr. Penikett: I move that an Order of this Assembly be issued for a copy of the public opinion poll, including all data and reports provided to the Government Leader by Summerhill Research.

Mr. Speaker: Are there any Notices of Motion? Statements by Ministers?

MOTIONS OF URGENT AND PRESSING NECESSITY

Mr. Penikett: Mr. Speaker, prior to Question Period, I would like to rise under the provisions of Standing Order 28 on a matter of urgent and pressing necessity and, if I have unanimous consent, to move: that the Yukon Legislative Assembly urges the Government of Canada to give immediate consideration to contributing to the efforts which are being made to provide assistance to the famine-stricken people of Ethiopia.

Mr. Speaker: Does the Honourable Member have unanimous consent

Some Members: Agreed.

Mr. Penikett: Briefly, as required under the provisions of the Standing Order, I was pleased to take note of the fact that Canada's new Minister of External Affairs, the hon. Joseph Clark, has, in the unusually disastrous situation which exists in Ethiopia today, petitioned not only the federal Crown, but provincial governments, to take whatever steps may be within their means to help alleviate the very, very serious situation that threatens hundreds of thousands of human lives in Ethiopia at this moment. It is in this spirit of Mr. Clark's suggestion that I rise today to propose this resolution.

Hon. Mr. Pearson: We, on this side, are going to be most pleased to support the motion, given that it is the intention of the Minister of External Affairs, Mr. Clark, to make a public statement on Thursday, and we anticipate that we will be receiving communication from him immediately after that statement in respect to what kind of support the Government of Canada might be expecting from the provincial governments and territorial governments.

Motion agreed to

QUESTION PERIOD

Question re: Contracting-out of public services

Mr. Penikett: Mr. Speaker, I have a question for the government leader. The Government Leader has characterized his recent contracting-out of public services such as custodial work and court reporting as an experiment. Given the broad, profound implications of such experimentation to the public service workers and to the services to the public, could the government leader describe what precise objective methods have been established to measure the success or failure of this experiment?

Hon. Mr. Pearson: Certainly, Mr. Speaker. One of the measures will be efficiency of the people who are doing the services beside the public service employees.

Another will be the cost that might be incurred by this government to have these services, as the leader of the opposition says, contracted out. Certainly, these will be two of the major criteria.

It is an attempt, Mr. Speaker, to make things more efficient, and it is experimental. We have embarked upon that program now in
respect to court reporters and in respect to janitorial services in this building. We are going to see how it works, and if it works satisfactorily, there may be other areas of government where we can make this kind of a scheme work. There can be no suggestion that we are trying to contract out all of the services of the Government of the Yukon. That is just not what is being suggested at all.

Mr. Penikett: Could I ask the government leader, as a matter of record, what levels of efficiency or service for cost savings referred to by the government leader, does he consider sufficient by these methods he has set up to continue or to cancel the experiment?

Hon. Mr. Pearson: As I said, with respect to janitorial services, it will be fairly interesting to note whether, for instance, the leader of the opposition feels that his office was being looked after better by public servants than it was by a contractual firm. It is a fairly easy thing to judge.

By the same token, we know exactly how much the janitorial services in this building were costing. We know exactly what the contract cost for the same services is going to be.

Mr. Penikett: As a matter of fact, there is no change in the personnel who clean my office, but there is a change in the time of the day in which it is done. I want to ask, since we are using that specific in respect to the custodial services in this building, how long does the Government Leader expect to continue this specific experiment before reaching a decision as to its efficacy?

Hon. Mr. Pearson: Unless there are really unforeseen circumstances in respect to the janitorial services, I am positive the contract that we entered into was for one year. I would think that that is what we would be looking at in that case.

Question re: Contracting-out of Public Services

Mr. Penikett: I have a new question for the same minister.

The Government Leader has described these contracting-out of public services by janitors and court reporters, again, as I noted, as an experiment. Could he now indicate to the House what other positions in what other departments, if any, have been targeted as candidates for similar experiments?

Hon. Mr. Pearson: No, Mr. Speaker.

Mr. Penikett: Could I ask the government leader then what research has been conducted which led them to target the janitors and court reporters in the first place, and what does that research indicate about other areas of experimentation of this kind.

Hon. Mr. Pearson: Surely the leader of the opposition is not living in a cocoon. Mr. Speaker, he knows that there are janitorial services offered throughout the territory and throughout this city by a number of firms. Most firms, in fact, contract out to janitorial services. The experiment was to see whether it would be efficient for the Government of Yukon to do the same. That is where it began and that is where it ends.

By the same token, Mr. Speaker, some of the court reporting services in this territory were contracted out previously. Now, they are all contracted out.

Mr. Penikett: I am simply trying to explore the clear line of thinking in the government’s policy. The government previously contracted out some of its legal work, which is now done in house. It has moved in the opposite direction in respect to custodial services.

I want to ask the Government Leader what studies and what research led them to decide to contract out janitorial services and court reporters, at the same time they were moving legal services, for example, in house?

Hon. Mr. Pearson: It is the same question as the last one. Mr. Speaker.

Mr. Penikett: I take it that the government leader either does not know the answer to that question, or there is none. There was no research.

Could I ask a question of the Minister of the Government Services? In the contracting out of the janitorial work in this building, the government eliminated not only 10 positions from the public service, but also in effect most of the people filling them as well. That is, the seniority for merit systems which form the very basis of the public service were ignored by not having all the people doing that class of work assessed on the same basis. In other words, they used the unit rather than the class. Could the minister responsible, or the government leader as the minister responsible for the Public Service Commission, indicate to the House whether this puts into question the seniority demerit systems, which have been a pride in the public service in the Yukon Territory up until this point?

Hon. Mr. Pearson: No, Mr. Speaker.

Mr. Penikett: Could I ask the government leader, the Minister of Government Services or the Minister of Community Affairs if they could explain — perhaps this should be best to the minister responsible for the Public Service Commission — as a matter of policy, what happens to employee benefits such as pensions in weird cases where employee positions are eliminated? I assume and hope this is a new problem — or a problem of this scale. Could the government leader indicate what the government’s policies are in respect to the protection of the pension benefits accrued by employees?

Hon. Mr. Pearson: If the employee takes advantage of the opportunity to go to another job in this government, the pension carries on. If they terminate their employment, their pension then stays at whatever mode it is in at that point in time. Some employees, upon termination of their employment with this government, I understand, are in position to carry on with their pension. Other employees are not. It depends upon how long they have been employees of the government; how long they have been paying into the federal superannuation plan. These are all federal rules and apply to the federal superannuation plan that our employees happen to be members of.

Mr. Penikett: May I thank the government leader for his answer. This question is particularly pertinent, since in this case, I understand the majority of the employees in question, who were laid off, did not stay with the government.

Could the government leader indicate to the House what, if any, counselling and retraining opportunities were offered to the laid-off employees prior to the September 1st termination date?

Hon. Mr. Pearson: I am going to have to argue a little bit. I recognize that you do not like arguments in Question Period; however, I am going to have to argue with the leader of the opposition.

The implication that a majority of these employees were laid off is just not true, Mr. Speaker. I believe that the leader of the opposition knows this. We are talking about 12 positions. Two were kept on as day workers. Three were occupied as casuals, and were simply terminated. I am sorry, two positions were kept on, three were occupied as casuals, seven were issued lay off notices. Of those seven, two accepted other government positions. Mr. Speaker, of the 12 positions, there were five lay offs. Those five people have been offered positions on an on-going basis as suitable vacancies occur.

Mr. Penikett: I do not want to quibble with the government leader, but what constitutes the majority is the fact that there were 10 people laid off, 10 people who were...

Mr. Speaker: Order, please. I believe the House is now entering into debate. Perhaps, if there are any further questions, we can proceed with the Question Period.

Mr. Penikett: Two of the 12 were never let go. Could the government leader indicate — or the minister responsible for Government Services — as an historical question of the management of the department of Government Services, what steps, if any, were taken by the management of his department to improve the efficiency of the janitorial staff of this main government building, perhaps through the better organization of the work, prior to the decision to replace this unit for workers with the private contractors as of September 1st?

Hon. Mr. Pearson: It had nothing to do with the quality of work that the member refers to. The point was that we looked at areas that could possibly be put out to contract, and this was one area that was brought to our attention. It was also brought to our attention that there were quite a number of people who were in the business of doing janitorial work, which is evident in view of the number of bids received for the purpose of doing this building. I believe it was 10 or 12.
Bids were submitted to the government. Subsequently a decision was taken to give it to the lowest bidder. I do not have the figures in front of me, but I think the difference in cost to the taxpayers that you and I represent, Mr. Penikett, was something like $150,000 to $180,000.

Mr. Penikett: I hope to later raise questions about true cost accounting costs and benefits, particularly since the employees involved now are getting little more than half the wages of their predecessors, and the fact that the contractor is now a Vancouver-owned company.

Let me ask the minister who has just spoken if he is saying that it is the position of this government that there is no question at all about the efficiency of the previous workers. In other words, the work was adequate, competent and efficient. It was simply the availability of the private service which precipitated this step?

Hon. Mr. Lang: That is correct. We made a conscious decision regarding areas of government that we could get at a better cost if they were contracted out, and that was the decision that was taken.

Mr. Penikett: Could I ask the minister who just spoke if, as a clear statement of government policy, it is: that where services are available in this community from the private sector, the government is actively exploring the possibility of contracting out that work which is not presently being performed by the public services?

Hon. Mr. Lang: All programs are constantly under review. I will just remind the member opposite that, unlike the party sitting opposite, we do support small business.

Mr. Penikett: Perhaps I will just leave that question for now.

Question re: Contracting-out government services

Mr. McDonald: I have a question for the same minister on roughly the same thing. As a preamble I would like to suggest that the minister is somewhat misconstruing our position on small business. The rationale for eliminating the 10 janitorial positions in the main Yukon government building was that the work could be done more efficiently by a private contractor. Now, what I would specifically like to hear on this is what research was done to determine that greater efficiencies could be effected by a private contractor over the public service and is the government saying that the experiment that the government leader mentioned was the research that is to be done to determine whether or not greater efficiencies are going to be effected by this move?

Hon. Mr. Lang: If we are saving in the neighbourhood of $150,000 to $180,000 because we are going onto a contractual basis, then I would say it shows that the decision, at least in good part, was the right one. As far as efficiency is concerned, it will take some time to see whether or not the quality of work is the same as it was previously. And that will be in the eye of the beholder as well.

Mr. McDonald: Mr. Speaker, we will have to determine whose eyes are going to be beholding this decision.

The minister mentioned that the experiment itself was sufficient to effect necessary cost-cutting measures. So far as efficiency itself is concerned, was the perceived departmental inefficiency translated into meaning the employees, alone, were inefficient, or are there other measures being taken to encourage efficiency at higher levels of management?

Hon. Mr. Lang: The Member opposite continues to refer to an experiment. I would say that it should be referred to as the decision that was taken. The decision was taken in good faith, Mr. Speaker, on the understanding that all members of this House have a responsibility for the public purse. We examined an area that we felt could be contracted out and put it out for tender. It came in substantially lower than what we were being asked to pay on a monthly basis for the service being provided. Mr. Speaker, the step then was taken to award the contract.

Mr. McDonald: The Minister did not answer the question and I refer to the fact that the government leader has called this decision an experiment.

The situation obviously is rather serious. Could the minister explain how the situation in the Department of Government Services has gotten so out of control as to require such a drastic measure.

Hon. Mr. Lang: I do not understand the line of questioning by the member opposite. The point that is being made here is that it was felt there was a service that could be provided in the private sector. As a party, and as a government, we support small business. We made the decision that it would be contracted out. We did it. We had bids brought in. They were brought in at approximately $150,000 to $180,000 less than what the service was costing us in-house; subsequently the decision was taken to award the contract. Now, if the member opposite does not feel that is in the public interest, please stand up and say so.

Question re: Contracting-out government services

Mr. McDonald: I would like to pursue the decision-making process used to determine whether or not there were inefficiencies in the department. I would like to know whether or not government has taken the trouble to identify inefficiencies, and if so, will it go to the extent of trying to correct them?

Now, in deciding to eliminate almost the entire janitorial staff in the main building, the government leader and the minister responsible have indicated that some monetary savings were expected, and some efforts were made to find out what these savings might be. Since no precise figures were given at the time, could either the government leader or the minister explain exactly what those efforts to determine monetary savings consisted of prior to the decision being made?

Hon. Mr. Lang: We knew exactly what it was costing us. We did have some experience, especially in the communities outside of Whitehorse where we have contracted-out janitorial services, and subsequently, Mr. Speaker, a decision was taken that we felt was in the best interests of the general public that we serve. I want to make it very clear, similar to what the government leader has said, that we have been more than fair with those employees involved with respect to the decision that was taken. Jobs were offered to a number of them, and, on an ongoing basis, jobs are still being offered, because we recognize we have a moral responsibility to those employees. I do not understand what the member is driving at. If the member opposite wants a flow chart, perhaps it can be developed. The point is: the decision was taken and we are now in a contractual situation.

Mr. McDonald: I am still trying to discover the reasons for taking the decision that was taken. Was any research done prior to the decision being made to contract out the services? Was any research conducted in an objective manner, or was it simply to be compiled after the fact, in order to justify the political decision?

Hon. Mr. Lang: There were cost comparisons done over some of the private sector as far as policy is concerned, in comparison to what it was costing us, and this paper was developed for the decision of cabinet.

All the options were taken into consideration and a decision was taken which we felt was in the best interest of the general public. Like I say, I want to emphasize again, as a government, we have been more than fair with the employees involved. I think you cannot question the government leader or any member of this side of the House.

We recognize that we have a legal responsibility, but just as importantly, a moral responsibility, and we will carry out the responsibilities and decisions that must be made.

Mr. McDonald: I am getting a very clear indication that there were no deliberations prior to the decision being made.

Has the government made any effort to establish the extra costs of this decision, such as the added cost of security, and work interruptions in actually making the final decision?

Hon. Mr. Pearson: The line of questioning is very interesting. I honestly do not know where the hon. member for Mayo has been for the last two years. In fact, we announced in this House a year in advance that we were considering doing this, and he says there was no prior consideration.

We announced a year in advance that we were considering doing it. How can he say such a thing?

Mr. McDonald: I was looking for the justification, not an announcement that the decision was going to be made. The minister responsible for Government Services assured the House earlier in
eliminating the janitorial positions in the government building, and replacing them with a private contractor, his government was not engaging in wage slashing. Now that the contractor's work has been tendered, could the minister inform the House what wages are being paid by the contractor in place of the $10 an hour previously paid to the government staff?

Hon. Mr. Lang: I do not have that information here. Perhaps the member opposite could search it out himself.

Mr. McDonald: I have researched that particular question, and considering that the new rate is approximately six dollars an hour, does the minister, by his own definition, consider that the new wage rate for the work, qualifies as wage slashing?

Mr. Speaker: Order please. I think at this time in, in fairness to the House, I am going to have to ask all members to discontinue this kind of questioning. What is happening is that this Question Period is turning into an interrogation. Questions ought to be extremely important, seeking advice. I am sure that the question that has been asked has received a great deal of attention, and no doubt, many answers have been given to the questions asked. Perhaps we could proceed with other questions.

Mr. Penikett: On a point of order, Mr. Speaker, would you cite the reference in Beauchesne which permits the Speaker to consider the Question Period and to dictate to the members of the opposition about subjects on which they can put questions to the ministers?

Mr. Speaker: Well, perhaps, if the hon. leader of the opposition would cite an annotation from Beauchesne which says that I am in error, I would be more than pleased to consider it. In any event, at this time, I would ask that we continue with Question Period but, perhaps, we could discontinue this line of questioning.

Question re: Handicapped people

Mr. Penikett: I have a question about affirmative action and handicapped people. I would like to put it to the government leader in his responsibility as the minister responsible for the Public Service Commission.

Throughout North America, custodial work is one of those areas in which government could show leadership by hiring workers with low skill levels and even handicaps. Does the government leader intend, by the contracting out decision that he has made in the case of this building, to restrict this area of opportunity for under-skilled and handicapped workers?

Hon. Mr. Pearson: No, Mr. Speaker.

Mr. Penikett: Could I ask the government leader in what other areas of the public service does the government leader plan to utilize in offering those less fortunate workers a chance at respect and self—sufficiency?

Hon. Mr. Pearson: Training programs have been established in respect to the diverse skills needed in the statistical research and self—sufficiency?

Question re: Contracting-out court reporting services

Mr. Kimmerly: To the Minister of Justice: it has now been approximately seven months since the government's attempt to contract out court reporting services in the territorial court. Could the minister tell us when the contract will be awarded?

Hon. Mr. Philipsen: It is my understanding that it is awarded now.

Mr. Kimmerly: What was the cost of buying these services on a short term basis while a contract was not let?

Hon. Mr. Philipsen: I am sorry, I do not have figures like that in my head. The member for Whitehorse South Centre is going to have to get used to that fact and not ask me questions of this nature. I will give him the answers in written form.

Mr. Kimmerly: What was the reason for the delay of slightly over three months in announcing the rejection of the low bid?

Hon. Mr. Philipsen: Establishing the fact that it was not the low bid.

Question re: Contracting-out court reporting services

Mr. Kimmerly: The bids on the court reporting services were received approximately seven months ago and the contract is only just now let. What was the reason for the substantial delay in letting the contract?

Hon. Mr. Philipsen: We let the contract in September. It was not seven months between the time it was called for and let, and the delay was that the person who allegedly had the lowest bid had added a number of riders to the bid and they had to be examined.

Mr. Kimmerly: The low bid was approximately $22,000 lower than the second bid. Why was the low bid not accepted?

Hon. Mr. Philipsen: The low bid price took into account a reduced number of clerks and did not take into account the overtime or the number of extra people who would be required on any day or any given case in court to provide a service. The other bid was a set price for the entire service and therefore, after extrapolating the proposals, the set price of the bid was actually the low price.

Question re: Contracting-out court reporting services

Mr. Kimmerly: A new question: the government leader indicated two criteria today for evaluating the experiment of contracting out efficiency and cost. In the case of the court reporters, there was a bid from a group of employees who, at the time, were doing the precise job.

Was this a factor in considering the bid?

Hon. Mr. Philipsen: The bid was considered on the basis of price and merit. When the proposals were brought in they were examined and the person who had the set price would be giving the lowest price service over the period of time.

Mr. Speaker: Is this a new question?

Mr. Kimmerly: No, Mr. Speaker, this is a supplementary on the question I asked.

As the minister will not answer the question, I will ask the government leader. Is it the government policy generally to favourably consider a bid from present employees with above average performance records on any future experiment?

Hon. Mr. Philipsen: The question and the way it was phrased is not really accurate. The performance of the previous individuals was also questioned with letters sent to the department from a great number of individuals and that was also taken into consideration.

Question re: Fair wage schedule

Mr. McDonald: I have a question for the minister responsible for Government Services. As the minister will recall in the debates last spring on the Employment Standards Act, there was a suggestion by the Minister of Labour that there was to be a fair wage schedule developed for all service contracts in the territory. Is there such a fair wage schedule in existence right now?

Hon. Mr. Lang: There is something to that extent in place. I would have to examine exactly what it was.

Mr. McDonald: If there is such a fair wage schedule in existence for service contracts, can the minister state how the fair wage schedule is determined and whose responsibility it is to determine it?

Hon. Mr. Lang: Could the member opposite read his question again, please?

Mr. McDonald: If such fair wage schedule does exist at this point in time, can the minister tell us how the fair wage schedule is determined and who is charged with the responsibility of determining it?

Hon. Mr. Lang: If the member is referring to the fair wage schedule that refers to capital projects that are contracted out by government, it is set, at the present time, to my knowledge, by the Government of Canada. The schedule is very clear as far as the contractual obligations that someone signs when they go into a
I firmly believe that over the ensuing few months and years, Yukoners will see the dark cloak of colonialism that has for so long restricted our development and freedom begin to fall away. Yukoners will cease to be second class citizens in one of the greatest countries in the world and will become respected equals in this land.

In the recent Speech from the Throne, the new government spoke of a federal era of national reconciliation and a fresh start in the search for answers. I believe that the practical expression of that attitude will mean that Yukon will finally see its needs, expectations and goals considered in the development of Canada's new directions.

Mr. Speaker, the optimism with which I speak is not mine alone. Nor is it grounded simply on expectations that the new administration in Ottawa will be more receptive to Yukon. It is a fact that the federal conservative government recognizes and appreciates the legitimate aspirations of Yukoners. It is also a fact that Ottawa is committed to helping us achieve those aspirations. Over the past several weeks, I, and my ministers have spoken at length with the hon. Mr. Crombie and his associates, and I have advised the prime minister of our positions and aspirations in a number of important areas. On virtually all issues, there is a very real desire to begin discussions.

Already, work has begun to ratify important changes in Yukon's constitutional position. As well, we are moving forward to serious discussions with our federal counterparts on a wide range of issues of importance to all Yukoners.

Included among them are talks on specific block land transfers for our communities and agriculturalists. We have also begun moving forward on discussions related to the eventual transfer to Yukon of the responsibility for the administration of Fisheries, Forestry, Health and Justice.

In some areas, mostly Justice, change is already taking place. Our Department of Justice has expanded its solicitors' ranks, an important evolutionary step in the eventual transfer to Yukon of the responsibilities of the Attorney General.

The Department of Renewable Resources has added a position of Director of Fish and Wildlife in order to prepare itself for the eventual devolution for responsibility of inland fisheries.

The new attitude that has made these discussions possible has also manifested itself in more tangible and immediate ways. Negotiations with respect to formula financing for Yukon are an example.

Under the previous federal government, unilateral decisions were constantly being made, but limited to a great extent the benefits the Yukon would receive under a financial formula. Discussions had reached an impasse. Then, in early October, our officials approached the new government and were greeted with a refreshing openness and spirit of cooperation. As a result of these discussions, tentative agreements were reached at the official level on the operation and maintenance portion of formula finance.

At this point, the only outstanding issue is the amount of capital expenditure to be built into the formula. Once Yukon government capital plan is accepted by Canada, the formula will be established, and we fully expect that Yukon will be funded on the formula basis, similar to that enjoyed by the provinces in 1985-86.

The achievement of formula financing will be a major step forward for this government. It will allow a much more effective means for financial planning, and represent yet another slide along
the road towards responsible government.

We were also very pleased to hear from the federal Minister of Finance that the moratorium on the taxation of northern benefits will be extended. Our lobbying efforts on this important issue have been successful, and I believe that the statement by the minister again reflects the new government's interest in, and support for, northerners.

The government in Ottawa has, as well, moved very quickly to respond and take action upon some of Yukon's pressing needs for infrastructure. As you know, a new thirteen million dollar justice centre has been approved for Yukon. The addition of this major complex will radically improve our capability to provide effective services in the area of justice administration and will, during construction, significantly add to the economy.

In addition, I am pleased to report that at very preliminary discussions, carried forward by our minister responsible for Health Services on the issue of the construction of a new hospital for Whitehorse, has been received in a very positive way in Ottawa. We will be continuing our talks on this issue and will continue to seek federal government concensus on the need for such a facility.

These are only some of the initiatives we have taken over the past few months in this new spirit of cooperation and understanding. We will be continuing our discussions on these and other issues and I am confident that Yukoners will see significant and positive changes in the months ahead. changes that will both speed our economic recovery and that will lead, in the long-term, to the realization of our goal of placing the responsibility for Yukon's future where it belongs: in the hands of Yukoners, themselves.

At this point, Mr. Speaker, allow me to reflect briefly on the current status of the Yukon Indian land claim and its relation to our initiatives with the federal government. As I am sure all Yukoners are aware, this government, from the outset, has worked for a Yukon Indian land settlement that would be fair to all Yukoners. We signed the overall Agreement-in-Principle with the conviction that, after eleven years of negotiations, it represents the best possible arrangement.

We were all hopeful that the Agreement-in-Principle would be ratified by the Yukon Bands and that we could begin to move forward into an implementation phase. We firmly believed, and still believe, Mr. Speaker, that the Agreement-in-Principle presented an exceptional opportunity for Yukon's native people.

Unfortunately, at the recent assembly, the decision was made to request a reopening of negotiations on a number of issues that we believed had been resolved in the previous negotiations. The Yukon government, and many Indian people, I might add, are extremely disappointed in this turn of events.

Our negotiating team has always been mandated to explore other models and proposals from, and with, the Council for Yukon Indians, but any proposals for fundamental changes to the existing overall Agreement-in-Principle, and the negotiating process, such as those being put forward now by Yukon Indian spokespersons, will require careful examination by this government.

In any event, no matter what the federal response to this turn of events, we cannot agree to a continued freeze on land for Yukoners. Nor can we agree to any further delay in seeking changes to our constitutional framework, or to delay in discussions leading to a continued devolution of responsibilities.

As a result, this government intends to continue to seek action on all of these fronts. While doing so, however, I want to again assure all Yukoners, native and non-native alike, that we will respect and protect the principles inherent in the current Agreement-in-Principle.

The final settlement of our native claim is extremely important to all of us. There is little doubt, however, that the 11-year period of negotiations has had a detrimental effect on Yukon's economic, political and social development.

The time has come to settle the claim one way or another, and move on with the many other pressing issues facing Yukoners.

While we remain committed to seeking a resolution of the claim process, we must also begin to exercise our responsibility to all Yukoners to seek actions and concessions from the federal government that will assist Yukon and her people in developing their potential.

I am sure that most Yukoners are aware that the COPE claim has been finalized and that we are in the process of implementation. I am indeed happy to note that our intensive efforts to ensure that the agreement was acceptable to Yukoners have been successful. We feel that we have achieved fully 95 per cent of our negotiating objectives. These included the establishment of Herschel Island as a territorial park; ensuring that economic development could proceed in the eastern portion of the North Slope; provision of a comprehensive wildlife management regime; and the elimination of the possibility of any fee-simple lands being given to non-residents.

As well, the controversial 10 percent economic preference for the Inuvialuit was removed.

I believe this House owes its congratulations to our negotiating team for protecting the interests of Yukoners and for a job well done.

I began this speech by indicating to you that I feel the economy is on the road to recovery, and that some measure of stability is returning to Yukon. To be sure, the recession is still with us. We have always been one of the last regions of Canada to feel the effects of national and global economic downturns, and have been among the last to recover. Such have been the realities of Yukon's economic character.

I must also add a cautionary note to my previous optimistic comments about our economic condition and future by saying that such optimism does rely to some extent on continued federal investment in Yukon projects. This government will seek assurances that federal policies of retrenchment and cost cutting will take into account the reliance that Yukon must have on federal works during these troubled times.

As well, the number of serious and very difficult obstacles still block our path to full economic recovery. Principal among them, of course, is the fate of Cyprus Anvil and White Pass. This government has done virtually all it can to bring about a reopening of Cyprus Anvil, and to assist in resolving the differences between the mine and the railway. We will continue to bring to bear whatever pressure we can on the principal actors in this tragic drama, and will not cease in our efforts that Cyprus Anvil remains a component of our economic base.

However, the hard realities are that the situation may darken before we see a positive turn of events. Circumstances beyond our control may require that Yukoners accept a temporary closure of Cyprus Anvil and that we work even harder to develop and broaden our economic base. This government recognizes its responsibilities in this crucial area, and over the past few months has redoubled its effort towards planning our economy and keeping Yukoners employed.

In the development area, our ministers and officials have been working with a number of project components on planning for several new initiatives. The Mount Skookum Mine proposal promises to be a significant addition to the economy of the region, as does the associated exploration work by other companies. Other mining prospects in the Southern and Eastern Yukon are also receiving our attention, and we believe that over the next three to five years we will see several development projects taking place in these areas.

In the North Yukon, we continue to be confident that the Kiewit proposal will receive land use approval and that it too will result in new opportunities for Yukon business and labour. Similarly, the Beaufort Sea continues to figure extensively in our plan of economic stimulation and growth.

The recent announcement by Gulf Canada of what could be a very significant oil find in the Beaufort has led to a strengthening of our efforts with the company to ensure maximum Yukon involvement has from both an employment and business opportunity perspective.

Whereas up until recently, we had been concentrating on the exploration phase of the Beaufort, we are now beginning to plan for Yukon's involvement in production. Our officials have also been involved in discussions with project proponents on Westmin Resources' intention to drill two oil and gas exploration wells in the Eagle Plains area.

I need not point out that a successful drilling program by
Westmin could well mark the beginning of a period of extensive exploration on Yukon lands. The addition to Yukon's economic base of an active oil and gas industry could be of immense benefit to all Yukoners.

In addition to our work with the exploration companies, we are continuing to carry out major research on oil and gas impacts. Under the recently announced $13.2 million agreement, jointly funded by Yukon and Canada, is designed to assist the development of programs that will contribute to the strengthening of specific sectors of our economy. The four subagreements, three of which have been approved for funding, will enable this government and the private sector to carry out research and to develop specialized support programs in the areas of mineral resources, renewable resources, economic planning, and tourism and small businesses.

An added and complementary component to our planning system has been the recent creation of the eight-member Yukon Economic Council. The council has already held meetings and investigated a number of economic development possibilities. It will be continuing to carry out research over the winter, and we expect the council to become a very valuable element of the long term economic planning process.

Speaking of tourism, another key component of our economy, I am pleased to point out that preliminary figures for 1984 show an 11 percent increase in border crossings between May and September. This is an indication that our tourism industry remained healthy in 1984 and our present marketing and promotional activities have been successful.

The government's assistance to tourism operators in Yukon has been extremely well received. The tourism incentive program, announced last spring, attracted over 150 applicants, and the $500,000 program was quickly over-subscribed. It was instrumental in helping many of our tourism operators add to their infrastructure, and to improve the services they offered, and it materially assisted in the establishment of a number of new tourist attractions and services.

Further, on the topic of tourism and business development, I am sure that many Yukoners are excited about this government's plans for Expo '86. As you know, we have contracted a design firm to develop the Yukon pavilion, and have recently received an exciting design concept from them. It is our hope that our pavilion will attract over 750,000 visitors. This represents an incredible opportunity for Yukon to promote, in a very effective way, its tourism and economic development potential. We are confident that our investment in Expo '86 will be more than recovered through tourism and investment returns, not to mention the heightening of public awareness of Yukon.

Mr. Speaker, I believe that the foregoing dramatically illustrates that this government is firmly committed to both Yukon's short term economic recovery and to its long term economic prosperity. Our assistance and marketing programs have been combined with a great deal of future-oriented planning, and designed to broaden and strengthen Yukon's economic base. The recession has taught us all some valuable, if somewhat painful, lessons. Yukoners and the government, however, are quick to learn and have seized the challenge of the future with vigour and determination. That spirit combined with a requisite level of support from the new and sensitive government in Ottawa, will see Yukon's economy begin to move toward its full potential. Of that, Mr. Speaker, I am certain.

In addition to our business development and assistance programs, we have also instituted other programs to assist Yukoners seeking employment and to keep others working. For example, we have recently allocated $150,000 to the successful job retention program for small business in order to assist Yukon business in maintaining its work force.

Under this program, wage subsidies are provided to employers as an incentive to maintain employment levels during these difficult times. To date, we have also contributed over $600 thousand dollars to assist in maintaining 210 jobs and 11 apprentices at Cyprus Anvil.

We have also continued to aggressively market Yukon at a number of trade shows in southern Canada and have embarked upon a major national advertising campaign aimed at promoting Yukon's economic potential. As well, we have distributed over 2,000 copies of the 1984 Yukon Business Directory.

Mr. Speaker, in June of this year we made another stride forward in our efforts to intensify our economic planning capabilities with the signing of the Economic Development Agreement.

As you know, this $13.2 million agreement, jointly funded by
Under our Summer Employment Assistance Program, we also assisted many of these students in finding summer employment here at home. One hundred and 88 summer jobs were created under this $226,000 dollar program. An additional 20 summer jobs were created at a cost of $115,000 dollars under the Summer Student Career Development Program.

Yukon’s young people are the future and this government is committed to ensuring that our young people receive all of the support and encouragement we can offer. In other social areas, I can point to the geriatric and rehabilitation services review as an accomplishment over the past few months. This review will enable the government to improve and expand its services to our elderly and disabled.

We are also in the process of instituting a new and updated Health Care Insurance system. The new system will radically improve the delivery of services and processing of claims, and will enable more accurate statistical generation.

In efforts to assist Yukoners in lowering their energy costs, and in order to stimulate the development of alternate energy uses, the government has implemented the Saving Energy Action Loan Program and the Yukon Energy Alternative Program. These innovative programs will provide financial assistance to Yukoners who wish to increase the energy efficiency of their homes, or to develop and demonstrate new methods of energy conservation and use.

We are also continuing to promote and encourage home ownership by Yukoners. Over the past few years, the Yukon Housing Corporation has disposed of approximately 60 of its housing units through sales to Yukoners. I might add here that the Corporation has embarked on a major upgrading project for its remaining housing units and is renovating, and improving, the energy efficiency of seniors housing.

I mentioned earlier that this government is proceeding with its efforts to have significant blocks of land transferred from the federal government. We have long been committed to obtaining more land for Yukoners. This initiative remains a high priority with government, and we will continue to vigorously pursue our endeavours in this area.

I should also point to a number of other developments with respect to land and land use. I am pleased to say that nearly all of our land development projects have been completed. These include the Mayo Airport Industrial Project, and residential developments at Carcross, Haines Junction and Mary Lake. In addition, our cottage lot transfer and title program has been essentially completed.

You will recall that under this program, the title to recreational land transferred from the federal government was offered to lease holders at 29 percent of its assessed value. I am pleased to say that all of those affected chose to purchase their titles under this arrangement.

The government has also recently approved the rural electrification program. This program is being designed to assist rural homeowners in meeting the high cost of extending electrical service to their properties. The program will result in many more of our rural residents being financially able to access the services that contribute to a better quality of life.

Mr. Speaker, a major step forward was taken with respect to the Kwanlin Dun Village relocation when this government signed an interim agreement to permit the construction of six homes in the Hillcrest subdivision. This agreement required the combined efforts of our government, the City of Whitehorse, the bands and the federal government. We anticipate that a comprehensive agreement covering the remainder of the required land will be in place by next spring, and that removal of the village to the new location will begin in earnest shortly thereafter. This initiative shows a clear example of cooperative planning, and commitment between our various levels of government.

I am also very happy to report that on November 1st the village of Carmacks was incorporated. This completes the program of municipal incorporation provided for under the Municipal Act. The new municipalities will now begin to function with a great deal more autonomy and responsibility than they did as local improvement districts. As a result we anticipated a resurgence in community spirit that will lead to a more progressive and responsive community planning and development.

As a final comment with respect to our efforts to help make our communities better places to live, I would like to point to two projects we have undertaken.

The first involves major street upgrading in Carmacks, Mayo, Haines Junction, and Teslin. In all four of these communities, streets are being upgraded and in Carmacks they have been surfaced with BST. Similar surface treatment will be carried out in Teslin, Mayo and Haines Junction in 1985.

The second project involves the community of Old Crow. Serious concerns have been raised with respect to the health problems associated with the community’s inadequate water and sewer services. We are currently negotiating with the federal government for the provision of improved water and sewage facilities for Old Crow. I hope to be able to report to the House in the near future that action will be taken to alleviate the current problems.

The topics that I have discussed thus far represent only a portion of the activities that this government has undertaken since the close of the last session. There are a great many more, and certainly many of the issues that I have addressed today could be expanded upon at length. I was led to leave such detailed discussions on these and other issues, not yet mentioned, to my ministers.

I would however, like to comment briefly upon the state of government in Yukon and more specifically upon the recent reorganization.

Reorganization of the Yukon Government was long overdue, the last major review having been done some 15 years ago. As a growing and developing organization, we must learn from our experience. This current reorganization is in response to our desire to build a more effective and more efficient operation, to build an organization which is more responsible to the needs and desires of the people we serve. The amalgamation of departments was done with one and only one goal in mind: that being to increase the efficiency and accountability of government and to ensure that it was providing Yukoners will all of the services that they require.

It was not done solely for the sake of change, nor was it done as a deliberate attempt to reduce the size of the public service. The new organization will be more efficient than ever before. No essential services have been lost, while a much greater level of coordination and program delivery effectiveness has been gained.

The new organization has also provided us with a structure that is much more adaptable to the changes we expect as a result of the change in our relationship with Ottawa. It is an organization upon which we can build our future while effectively responding to the needs of the present.

There has been a degree of uncertainty felt by our public service over this issue. Their reactions are understandable, for reorganization means change, and change requires adjustment. We are trying to limit those adjustment difficulties and to calm any fears that may exist. For the sake of those employees affected, I wish to say that we do not expect any major lay-offs. Furthermore, we will continue to exercise fairness to anyone whose job has been re-defined and for whom an immediate place cannot be found within this new structure.

I would also like to say that I personally believe that the Yukon public service is the finest in the country. The men and women who make up this government, in all categories, seldom receive the praise they deserve. During my many years in government and over my six years as government leader, I have worked closely with a great many of them. I have always had the highest respect in their dedication to their jobs, this government, and to Yukon. We ask a great deal of our public servants and occasionally forget that they represent not only a vital important component of Yukon’s present, but they also have a major role to play in its future.

Mr. Speaker, allow me to say that I am very proud of the men and women who make up the public service and I would like to personally extend my thanks to them for their commitment to this government and to the Yukon. When we needed their cooperation in cutting government costs, our civil service responded by effectively accepting a 10 percent pay cut through the implementation of a nine day fortnight. They again showed their support when
we implemented the federal six and five restraint program. Need I remind Yukoners that our civil service has never been on strike; our collective bargaining process has always resulted in cooperation and equitable settlements with the bargaining group?

Mr. Speaker, I told you principally about our work since the end of the last session: how we are working very hard on the development and implementation of a wide variety of programs designed to support our economic and social bases, how we are assisting our communities in their development, and how we are working at improving the efficiencies of government. I am satisfied that we have accomplished a great deal for Yukoners.

However, it is not the past that this government and Yukoners must concern themselves with. The future of the economy is waiting to be molded and shaped by us all. We now have the opportunity, with a sympathetic government in Ottawa, to begin to exercise real control over Yukon’s economic, constitutional and social development. We must seize that opportunity and go to work with a new spirit and a new vision toward the realization of our goals. Yukoners everywhere and from all walks of life and cultures must begin to make their voices heard, must begin to work for the common good of us all. Above all, we must begin to work together, for only together can we build the future of this land.

Thank you, Mr. Speaker.

Applause

Mr. Penikett: I would like to thank the members opposite for applauding me. I would move that the debate on the resolution be adjourned.

Mr. Speaker: It has been moved by the hon. leader of the opposition that debate be now adjourned.

Motion agreed to

Speaker’s clarification—Motion of Urgent and Pressing Necessity passed earlier

Mr. Speaker: Before proceeding, I would like to draw the attention of the House to the motion raised under Standing Order No. 28 this morning. In order for clarification in the wording of the motion, the motion read, as approved by the House: "That the Yukon Legislative Assembly urges the Government of Yukon to give immediate consideration to contributing to the efforts which are being made to provide assistance to the famine stricken people of Ethiopia".

May I have your further pleasure?

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

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

Motion agreed to

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

The House adjourned at 2:47 p.m.

The following Sessional Paper was tabled November 13, 1984:

84-4-31

Report of the Electoral District Boundaries Commission
(Speaker)

The following document was filed on November 13, 1984:

No. 11 - Records and Documents of the Electoral District Boundaries Commission (Speaker)