



The Yukon Legislative Assembly

Number 4

2nd Session

26th Legislature

HANSARD

Monday, October 7, 1985 — 1:30 p.m.

Speaker: The Honourable Sam Johnston

Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Tony Penikett	Whitehorse West	Government Leader. Minister responsible for: Executive Council Office; Finance; Economic Development, Mines and Small Business; Public Service Commission
Hon. Dave Porter	Watson Lake	Government House Leader. Minister responsible for: Tourism; Renewable Resources.
Hon. Roger Kimmerly	Whitehorse South Centre	Minister responsible for: Justice; Government Services.
Hon. Piers McDonald	Mayo	Minister responsible for: Education; Community and Transportation Services.
Hon. Margaret Joe	Whitehorse North Centre	Minister responsible for: Health and Human Resources; Women's Bureau.

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kassl	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

Willard Phelps	Leader of the Official Opposition Hootalinqua
Bill Brewster	Kluane
Bea Firth	Whitehorse Riverdale South
Dan Lang	Whitehorse Porter Creek East
Doug Phillips	Whitehorse Riverdale North

Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

LEGISLATIVE STAFF

Clerk of the Assembly	Patrick L. Michael
Clerk Assistant (Legislative)	Missy Follwell
Clerk Assistant (Administrative)	Jane Steele
Sergeant-at-Arms	G.I. Cameron
Hansard Administrator	Dave Robertson

Whitehorse, Yukon
Monday, October 7, 1985 — 1:30 p.m.

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

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper. Introduction of Visitors?

TABLING RETURNS AND DOCUMENTS

Speaker: Under Tabling of Returns and Documents, I have two documents for tabling. The first is a report from the Clerk of the Assembly respecting deductions from MLA pay. The second is a report of the Chief Electoral Officer made pursuant to Section 11 of the Political Contribution Income Tax Regulations. Are there any further documents or returns for tabling?

Are there any Reports of Committees?
 Are there any Petitions?
 Introduction of Bills?

INTRODUCTION OF BILLS

Bill No. 52: First Reading

Hon. Mr. Penikett: I move that Bill No. 52, entitled *First Appropriation Act, 1986-87*, be now introduced and read a first time.

Speaker: It has been moved by the Honourable Government Leader that Bill No. 52, entitled *First Appropriation Act, 1986-87*, be now introduced and read a first time.

Motion agreed to

Speaker: Are there any Notices of Motion for the Production of Papers?

Notices of Motion?

NOTICES OF MOTION

Mr. McLachlan: I wish to give Notice of Motion on a motion regarding day care.

Speaker: Are there any Statements by Ministers?
 This then brings us to the Question Period.

QUESTION PERIOD

Question re: Native Courtworkers Society

Mr. Phelps: I have a question for the Minister of Justice with regard to the Yukon Native Courtworkers Services Society. As the Minister and the House know, we passed a motion, unanimously, early in the last sitting that it is the opinion of this House that the Justice Minister abide by the terms and conditions of the agreement between this government and the Yukon Native Courtworkers Society, and if necessary, to evoke arbitration under clause 25.

The Society, in July, requested the federal government to appoint an arbitrator pursuant to section 25 of the contract. I wrote the Minister of Justice some three weeks ago about certain issues, one of them being whether or not his department or himself had consultations with the federal department with regard to the request for arbitration by the Courtworkers Society. Perhaps, for the record, the Minister could answer that question.

Hon. Mr. Kimmerly: I corresponded with the Leader of the Opposition about that and I will repeat essentially what is in the correspondence. The federal government takes the position that they will not appoint an arbitrator and that position was communicated to me September 23. At that time, I received, for the first time, a copy of the society's notice to appoint an arbitrator. The discussions that occurred are listed in the letter. The position of the Yukon

government was that we informed the federal government of the motion and we expressed a willingness to arbitrate but no desire to arbitrate until a specific arbitral issue was identified by either of the parties and that, to date, has not been done.

Mr. Phelps: I have a question for the Minister of Justice. Could he tell this House when these consultations took place with the federal Department of Justice?

Hon. Mr. Kimmerly: I do not know the specific dates. There were several conversations between officials of my department and officials in the federal Department of Justice, and two telephone conversations in which I participated personally. The dates would be some time in August; the specific dates, I do not know.

Mr. Phelps: Could the Minister of Justice advise this House as to when he was first made aware that the society had requested arbitration from the federal government?

Hon. Mr. Kimmerly: Verbally, and in a very unspecific way, some time in August, in writing September 23.

Speaker: New question.

Mr. Phelps: Could the Minister of Justice advise this House whether, during the consultation process undertaken between our Department of Justice officials and the federal Department of Justice officials, as well as consultation of which he was directly involved, a discussion was held as to the content of the notice of arbitration, which had been forwarded to the federal department by the Courtworkers Society?

Hon. Mr. Kimmerly: There were no discussions involving me, concerning the content of that document. I became aware of it on September 23.

Mr. Phelps: Could the Minister of Justice advise this House as to whether or not, in the opinion of the Minister and the government, the Native Courtworkers Society had a right under contract to request arbitration?

Hon. Mr. Kimmerly: I certainly expressed no opinion and I expect that no officials of this government expressed any such opinion.

Mr. Phelps: Again, to the Minister of Justice, could he advise this House whether any of the 12 Yukon Indian Bands are supporting the action of the Minister and, if so, which Bands are in full support?

Hon. Mr. Kimmerly: I am not aware of any formal Band Council resolutions except one from Carcross, which expressed support for local control of courtworker services. There was also a letter from Burwash, which specifically denied support for the past program, as I remember it. At this time, I am dealing with the Council of Chiefs and the Bands collectively, as opposed to the Bands individually, although a consultation process is occurring, presently. This process was recommended by all of the chiefs.

Question re: First Ministers' Conference/Free Trade

Mr. McLachlan: My question is for the Government Leader. Is it the intention of this government and/or of this Government Leader to represent the territory at the upcoming First Ministers Conference next month, I believe, in Ottawa?

Hon. Mr. Penikett: It will be my intention to be present, as long as the House is not sitting.

Mr. McLachlan: Will the Government Leader then agree to at least opening a dialogue in this Assembly as to the effect free trade may or may not have on this territory? I understand that it is in the discussion paper.

Hon. Mr. Penikett: I am quite happy to have a dialogue in this Assembly about this or any other subject. The means to precipitate such a debate are as available to the Member opposite, as they are to any other Member of this House, by way of a motion on Opposition Day, or some other device. I should tell the Member, though, that I hope to be better equipped for that debate at the conclusion of some research, which is currently going on in this government on that very question.

Mr. McLachlan: Will the Government Leader then make that research available to all elected Members of this Assembly, or is it an internal paper for government consumption only?

Hon. Mr. Penikett: That is really a hypothetical question, because there is nothing complete yet. I think the document that is

being prepared for me is technically a Cabinet document, and therefore I think I probably would not want to lay that on the table of the House. I would be prepared to give the undertaking that if we wanted to schedule a debate at such a time in the future that would allow us to properly prepare, I think it is not an unreasonable request from the Member opposite, and not an unreasonable request of the government, to ask that the government table some kind of background paper prior to that debate. If the Member opposite wants to raise that possibility at a House Leaders' meeting, or on the floor of the Assembly, if we have enough time to put together a background paper, I will be happy to see that done.

Question re: Native Courtworkers Society

Mr. Phelps: In the recent answer to myself in the House today, and in a letter addressed to myself, the Minister of Justice stated that this government did not wish an arbitrator to be appointed because there were no issues requiring arbitration. In view of the fact that the Minister met with the Native Courtworkers Society and placed certain ultimatums before that society, would he not agree that these ultimatums gave rise to concerns about possible breach of contract and therefore paved the way for the need of an arbitrator to be appointed?

Hon. Mr. Kimmerly: First of all, in the premise of the question, the Leader of the Official Opposition talked about ultimatums. That is not accurate. There were no ultimatums. The position of the government is clear, that the contract speaks about arbitration in certain circumstances, and it is clear on the wording of that clause, I believe clause 25. As a consequence of the contract, we would have an arbitration if it were necessary.

Further to that, the Legislature passed a motion and the position of the government is to follow the motion. We have not been advised of any issues requiring arbitration within the meaning of that clause. We have been advised of the request of the society to the federal government to appoint an arbitrator. At the same time, we were advised of the federal government's position, that they would not appoint an arbitrator. That is where it lies.

Mr. Phelps: The answer is confusing to me, at least, so I will want to ask supplementary questions.

The contract provides, under section 12, that the society should be responsible for the hiring and firing of its own staff. We have been told that the Minister of Justice demanded, as a precondition of the contract continuing with the society, that a certain person or persons be fired by the society at his request. The question for the Minister of Justice is whether or not he agreed that, on the face of it, that certainly is a breach of contract?

Hon. Mr. Kimmerly: The premise to the question, as a statement of fact, did not occur.

Mr. Phelps: Just to pinpoint that with as much clarity as possible, I would ask the same minister whether the answer is to mean that he did not, at a meeting with the board of directors of the society, demand that one or more persons be fired.

Hon. Mr. Kimmerly: Exactly. I did not. There was a meeting, the first meeting, and I verbally gave notice to the society of the pending cancellation of the contract. There was a second meeting with representatives of the board at which we discussed the nature or the characteristics of the new service and the question of staffing was spoken about, but there were no demands, no ultimatums.

Speaker: New question.

Mr. Phelps: Again, and with regard to the issue of the Native Courtworkers Society and arbitration, perhaps the same minister, the Minister of Justice, could advise this House whether he had criticisms with regard to the delivery of the program delivered by the society back in June or July.

Hon. Mr. Kimmerly: Yes, I did, the first being the lack of delivery of service in rural Yukon.

Mr. Phelps: Could the Minister of Justice advise this House, as to whether he informed the society in writing, with regard to his criticisms of the delivery of the Yukon Native Courtworker Program?

Hon. Mr. Kimmerly: No, there were no written communications about the criticisms. The government, instead, took the action of cancelling the contract pursuant to the termination notice clauses

in that contract.

Mr. Phelps: I am concerned, because here we have clearly a situation of a breach of the agreement, the right, therefore, of the society to have arbitration, and I would like again to ask a question of the Minister of Justice as to why he, on the face of it, has gone against the intent of the unanimous motion passed in this House last July, and told the federal Justice Department that this government is not seeking arbitration, despite the fact the society had requested it?

Hon. Mr. Kimmerly: The assertion that I have gone against, or broken, firstly, the contract, and, secondly, the motion of the Assembly, is absolutely false, and the Leader of the official Opposition knows that.

Question re: Northern Canada Power Commission

Mr. Phillips: I have a question for the Minister of Economic Development. On July 18, in this House I asked the Minister when his government takes over the assets of NCPC, will he also be acquiring the assets of Yukon Electrical, as stated in the New Democratic Party position in 1979. I know his government is just new in office, but his answer was rather confusing then. I have to quote from *Hansard*, when he stated, "The policy of government has not yet been formulated in energy questions except to the extent that we provided a mandate to the working group concerning the transfer of the assets of NCPC to discussions which were initiated by my predecessor."

My question to the Minister is: four months have now passed to review his party's position in 1979, and his uncertain position in July; what now is his party's position with respect to whether or not his government will also purchase Yukon Electrical and its assets, or where in fact it fits into his energy policy?

Hon. Mr. Penikett: I will be as certain as one can in this business: we are not planning to buy Yukon Electrical.

Mr. Phillips: It seems that the Honourable Member has a hidden agenda and I am now asking him as a Member that, as his party seems to have no policy on this issue and it had a policy in 1979, is it now not his policy any more to take over the assets of Yukon Electrical? Has this changed?

Hon. Mr. Penikett: Not only do I not have a hidden agenda, but my agenda is completely public. It seems to me the Members opposite have got to get their act together. You either have to decide, as the Leader of the Official Opposition says, that we have no agenda, or we have a hidden agenda. In fact we have an agenda. It is the agenda that we stated during the recent campaign, which ended on May 13, 1985, during which campaign I made perfectly clear that the purchase or the acquisition or the expropriation or otherwise of Yukon Electrical was not on our agenda. I stated it in 1985, during the campaign, I stated it again in July, as the Member said opposite. I state it again here today.

Question re: Municipal Act

Mr. McLachlan: My question is for the Minister of Municipal Affairs. Can the Minister advise this Assembly if his department is considering the amendment to the *Municipal Act* to cover those people who have been moved, through a situation over which they had no control, into another municipality, and have thus been denied their right to vote because of not qualifying for one year's residency in their new municipality in which they now reside?

Hon. Mr. Kimmerly: I will answer that, as it is largely a legal question. Section 30 of the *Municipal Act*, as the Member opposite well knows, specifies that a person must be a resident in the municipality in which the person votes for one year prior to polling day. It is possible to change that to a residence in Yukon for one year. That involves two things: a change in the policy of the *Municipal Act*, which may or may not be desirable, but in any event is a matter for legislation if it occurs.

Secondly, and at the moment, more importantly, were we to do that, it would fly in the face of a decision of the Supreme Court of Yukon that a one year residency period is unconstitutional. It would be irresponsible for a legislature to pass a law in the face of a clear judicial decision that that law was unconstitutional. The course of action that we are following is to appeal the decision, and combine with it a constitutional reference. That is underway, and we are attempting to speed up the process.

Mr. McLachlan: A recent news release of last week said that consideration was being given to allow inmates of the Whitehorse Correctional Centre to vote in upcoming municipal elections. I would find it a little ironic that any ex-Faroites now resident in Whitehorse, who are fortunate enough to be in prison, could vote, but those who were not fortunate enough to be in prison could not vote. Is the government considering amending the *Municipal Act* to allow residents of the Whitehorse Correctional Centre to vote?

Hon. Mr. Kimmerly: The assertion of the member opposite is not accurate. First of all, I sincerely doubt if any ex-Faroites are in the Correctional Centre, but if that is the case they would be in exactly the same position as a person who moved here voluntarily and could not vote.

Mr. McLachlan: My question is: is the government planning to amend the legislation to allow residents of the Whitehorse Correctional Centre to vote, no matter where they came from?

Hon. Mr. Kimmerly: Specifically, no. The residents of the Correctional Centre may be voting, and that is as a consequence of the position of the City Council in Whitehorse. They obtained a legal opinion, I am told, and the legal opinion is to the effect that, under our law now, and under the Constitution, residents of the Correctional Centre do vote in municipal elections if they are otherwise also eligible to vote; that is, if the residency and age, et cetera, are also satisfied. In the fact of the request of the municipal government to allow a poll at the Correctional Centre, the territorial government has responded in the affirmative.

Question re: French as a First Language Program

Mrs. Firth: I have a question for the Minister of Education regarding the French as a First Language Program. Could the minister tell me how many students are in the total program?

Hon. Mr. McDonald: My information has it that there are 27 students at Whitehorse Elementary and seven students at Jeckell Junior High.

Mrs. Firth: Am I correct in understanding, then, that the program has gone down in numbers, for the existing portion of the program, from last year, and that there are seven at Jeckell with their own teacher and their own classroom. Am I to understand that correctly?

Hon. Mr. McDonald: The question is a little confusing, because there was no program at J. A. Jeckell last year, with which to compare figures. As the Member might know, grades 7, 8 and 9 is a new program initiated this year. At Jeckell, there is one teacher. I believe there may be some administrative support from a vice principal at that school as well. At Whitehorse Elementary, we have three teachers providing the teaching complement. I am not sure whether or not the numbers of students have declined from last year, but I can certainly check into that for the Member.

Mrs. Firth: The numbers have declined. The Minister has said that the Jeckell program, which is the new portion of the French as a First Language Program, has seven students in it. The policy of the previous government was that the extension of the program would be offered, given sufficient numbers. The policy of the past government, where sufficient numbers was concerned, was 15. Could the Minister tell me what the policy of this government is regarding "given sufficient numbers"?

Hon. Mr. McDonald: The policy of the previous government with respect to a 15:1 student-teacher ratio was not at all adhered to in every case. It certainly is not being adhered to now, either. It is a policy that has to be reviewed. I can tell the Member, and certainly clarify for the Member, that, indeed, the student-teacher ratio at this particular school is better than other urban schools. The reason for that is that this is, as the Member states quite rightly, a new program that requires some special effort, given that we are talking about providing classroom teaching in another language. Given that fact, that is the reason why, in the initial stages, we are prepared to offer the program and why the federal government is prepared to cost-share the program 100 percent.

Speaker: New question.

Mrs. Firth: I have a new question for the Minister of Education regarding the same subject, French as a First Language. I am not

talking about pupil-teacher ratios, I am talking about "given sufficient numbers". According to the policy of the past government, we entered into an agreement, because of Article 23 in the Constitution, saying that Kindergarten and Grades 7-9 would be offered, "given sufficient numbers". Governments develop their own policy about "where numbers warrant", or "given sufficient numbers" constitutes.

The policy of the past government was 15. I would like to know what the policy of this government is. Is it seven, is it three, is it four? What is the government's policy?

Hon. Mr. McDonald: The policy with respect to initiating new courses of this nature has not yet been established to the extent that the Member opposite might want. Quite clearly, the efforts to initiate the program at Jeckell, Grades 7, 8 and 9, was initiated under the previous government and we are promoting that program as per the negotiated settlement with the federal government.

I do not know whether or not the previous government had indication that there would only be seven students. Certainly, the federal government is prepared, given the fact that this is a new program, to fund the program 100 percent. When the federal government decides, in its wisdom, not to fund this program any further, we will be making a very hard decision as to whether or not we will continue the program, if the numbers do not warrant. We will let the Member know as soon as possible when the funding may evaporate and when we may have to take over.

Mrs. Firth: The past government initiated the program, however, they were responsible in establishing a "given sufficient number", and that number was 15. Now I have heard the Government Leader talk about setting dangerous precedents. I do not know if the Minister of Education is aware of the very dangerous precedent he has set here. He has allowed the program to go on with only seven students.

Speaker: Will the Member please get to the question.

Mrs. Firth: When is the Minister going to establish a policy as to "given sufficient numbers"?

Hon. Mr. McDonald: The government intends to establish a policy with respect to the student numbers for new programs when re-evaluate the student-teacher ratio next spring. As the Member knows, or should know, there is a policy indicating where the government will be providing teachers for classrooms around the territory, and those numbers are reviewed each spring. Quite clearly, there are some schools in the territory for which the student-teacher population is much less than 15 to one. For example, in the Faro school I think we are talking about eight to one. There are political decisions that are made at given times which allow for a more attractive student-teacher ratio than it allows for in the general policy. As a matter of fact, the existing policy for Whitehorse schools and for rural schools has been broken consistently for years. I have been told that this is not a wise way of proceeding, and we intend to rectify the situation when we can.

Mrs. Firth: You cannot establish a policy after a program has been started, because the federal government cuts off the funding. I would suggest that the government is being irresponsible because they do not have a policy. The past government had a policy. I would like to know from the Minister of Education if he is going to establish a policy now regarding sufficient numbers, and not wait until the federal government cuts off the funding?

Hon. Mr. McDonald: The Member knows full well the situation with respect to this particular program and this particular class, French as a First Language, grades 7, 8 and 9, was a program, the auspices of which were established under the previous government. The previous government allowed that expectations should be raised in the community to expect French as a First Language for grades 7, 8 and 9. During O&M estimates this afternoon, I will be prepared to debate this at some length with the Member. As far as Question Period is concerned, my answer is as I stated it. We will try to establish a policy with respect to clarification of "where numbers warrant" for the initiation of new programs and for the existing situation with respect to student-teacher ratios for other classes in other parts of the territory.

Question re: Executive assistants

Mr. McLachlan: My question is for the Hon. House Leader. Can the Minister confirm that the government has hired an Executive Assistant who does nothing else other than business for the non-ministerial elected members of his party?

Hon. Mr. Porter: I have no responsibilities in relation to the question, so I do not even know why I was asked.

Mr. McLachlan: I would like to repeat the question for the Government Leader if the House Leader cannot answer.

The question, again, is: can the Government Leader confirm that the government has hired an executive assistant to do no work other than the work for the non-ministerial elected Members of his party?

Hon. Mr. Penikett: Frankly, I do not know what the member is talking about. If the member is talking about whether the backbenchers on the government side of the House have a research assistant, as has been the custom of this House ever since we had research assistants, yes, we do.

Mr. McLachlan: The premise may be that executive assistant applies only to ministers and research assistant only to non-ministers. If that is the case, I apologise. But during July, in the last sitting of the House, I believe, I distinctly remember an answer given to the Members of the other party that said there would be no more assistants hired. My question is: is this now the last assistant to be hired for the government side of the House, barring vacancies?

Hon. Mr. Penikett: The government has not created any additional positions. The backbenchers, as I understand it, have, as is their traditional entitlement, a researcher. This is really properly discussion for Vote One in the Estimates, but that researcher is funded out of the same budget as the research assistants for the opposition parties, and he is on a formula, I think, where they get fifty percent of the allocation for opposition Members, per Member.

Mr. McLachlan: Could the Government Leader then confirm that the hiring of this research assistant was also paid for out of the Legislative Assembly budgets to relocate him to Whitehorse?

Hon. Mr. Penikett: Mr. Speaker, you have to understand that I have no direct responsibility for managing the budget, but the person who does is nodding at me: no.

Speaker: The time for Question Period has now lapsed. We will now proceed with Orders of the Day, Government Bills.

ORDERS OF THE DAY

GOVERNMENT BILLS

BUDGET SPEECH

Bill No. 52: Second Reading

Mr. Clerk: Bill No. 52, standing in the name of the Hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 52, entitled *First Appropriation Act, 1986-87* be now read a second time.

Speaker: It has been moved by Honourable Government Leader that Bill No. 52, entitled *First Appropriation Act, 1986-87*, be now read a second time.

Hon. Mr. Penikett: I am pleased to introduce the Capital Main Estimates for the fiscal year 1986-87. This budget along with the other initiatives we have introduced, is designed to promote the economic recovery of the Yukon, and provide a stimulus for job creation.

The Capital Budget provides unique opportunity to fulfill our commitment of maximizing local hire and procurement of local materials for each program and project undertaken by the government. It is in this manner that our government will be addressing the serious unemployment situation that faces the territory. Not only would these estimates address the unemployment problem, but they will provide for the construction of needed infrastructure that has long been neglected. It is our intention to remedy this intolerable situation. For far too long, the Yukon has suffered from an antiquated, inadequate capital plan.

This budget will continue the upgrading process begun with the Supplementary 1985-86 Capital Estimates that I introduced last week.

The capital estimates for 1986-87, which I am introducing, amount to \$80,935,000. This represents an increase over the

original capital estimates for 1985-86 of 68 percent. The planned 1986-87 capital expenditures will create or maintain approximately 1200 jobs. This will ensure stable and continued employment growth over the long term. With the tabling of these estimates, the business community will have a clear indication of the government's expenditure plan. With this knowledge, entrepreneurs will be able to plan for the forthcoming construction season and, more importantly, plan for the hiring of local contractors and trades people.

I now wish to take several moments to discuss a few of the major projects contained in the estimates before you.

In the Department of Community and Transportation Services, approximately \$15.3 million has been allocated for highway construction. This is double the amount provided in the 1985-86 estimates and will ensure the continued upgrading and maintenance of the Yukon highway system. As part of the department's highway maintenance program, \$7.6 million has been included for the upgrading of highway camp facilities and equipment at Blanchard River, Fraser, Mayo and Carcross, among others. This figure represents an increase of \$5.5 million over the previous fiscal year. A further \$1,425,000 and \$2,902,000 have been provided to the communities for local roads and recreation programs respectively. This is in keeping with our commitment to improve the quality of services in the communities.

The mining sector, despite having experienced serious setbacks in recent years, still remains a vital part of the Yukon economy. To ensure that this sector continues to play an important role in our economy, \$1 million has been included in the Department of Economic Development's estimates for a Yukon Mineral Development Program. This program will provide financial assistance to the industry for mineral exploration and development.

It is our hope that this important new program will help to maintain and improve the competitiveness of the Yukon mining industry.

The 1986-87 fiscal year will see over \$17 million being spent by the Department of Education. The bulk of these monies, \$13.5 million, is for Yukon College. In addition, \$748,000 has been included for the completion of work on the Carcross School and \$200,000 is being requested for the construction of a student residence at Haines Junction.

The Department of Government Services has been allocated \$1.3 million to carry out the major maintenance of public buildings as part of our continuing effort to improve the quality of the government's capital stock. Reducing the energy consumption of public buildings is an area requiring immediate attention if we are to reduce our reliance on expensive imported fossil fuels. To this end, \$450,000 has been included under the departmental estimates for energy conservation projects.

The Department of Health and Human Resources Budget includes \$3,103,000 as our contribution to the Northern Health Services Program. This will permit the expansion and upgrading of health care facilities throughout the Yukon, especially in the smaller communities.

Included as part of the Department of Justice's funding in this bill is \$3,008,000 for the completion of the Philipsen Building.

The tourism sector has emerged in recent years as a strong and vital part of Yukon's economy. In the Department of Tourism, funds have been provided for the development and restoration of a number of historic sites throughout the territory. Included among these projects are \$810,000 for continued work on the Old Territorial Administration Building; \$100,000 for restoration work on the SS *Tutshi*; \$100,000 for the expansion of the McBride Museum; and, \$150,000 for the development of an inventory of Yukon's historic sites.

During the next fiscal year, the Department of Renewable Resources will be undertaking an extensive program of park planning and development. This will ensure that recreational opportunities are available to Yukoners, as well as making the Yukon a destination point for outdoor enthusiasts from around the world. Among the planned projects are \$195,000 for the Dempster Campground; \$218,000 for construction of the Nahanni Campground; and, \$145,000 for the construction of campsites and

recreation areas at Mayo.

¹⁶ The specific items I have mentioned are examples of the activities to which my government is committed. These expenditures will provide us with an opportunity to create jobs and reduce the Yukon's level of unemployment while, at the same time, improving the quality of life of our citizens. These are goals I am sure all Members of this House can and will support. To that end, I commend this bill to the favourable consideration of hon. Members.

Mr. Phelps: I would like to move that debate be adjourned.

Speaker: It has been moved by the Leader of the Official Opposition that the debate be now adjourned.

Motion agreed to

Bill No. 40: Second Reading

Clerk: Second reading, Bill No. 40, standing in the name of the Hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 40, entitled *Third Appropriation Act, 1985-86*, be now read a second time.

Speaker: It has been moved by the Government Leader that Bill No. 40, entitled *Third Appropriation Act, 1985-86*, be now read a second time.

Hon. Mr. Penikett: The purpose of this bill is to appropriate capital funds in addition to those appropriated for the current year in the 1985-86 capital main estimates passed by this House last fall. We are requesting an additional \$25,056,000 in spending authority under this bill, of which \$8,866,000 is recoverable from the federal government. Therefore, the difference of \$16,190,000 consists of funds that are a direct charge to the Yukon government. As a result of this supplementary, we are projecting a surplus of \$6,283,000 for the current year, taking into account the O&M estimates that I tabled Thursday and allowing for a reserve of \$3,738,000 for formula financing adjustments.

The supplementary estimates before you today include revotes of unexpended 1984-85 funds in the amount of \$3.6 million and \$5.3 million in funds brought forward from 1986-87 for which we would not normally have requested spending authority until 1986-87. By obtaining the spending authority now, we can intensify job creation initiatives over the coming winter months as well as lay the groundwork for our capital spending plans for the coming year.

Considering the unemployment situation in the Yukon, my government is not prepared to permit the fear of a deficit to stand in the way of remedial action. We have no intention of allowing surplus government funds to sit idle while Yukoners are compelled to submit to the ravages of unemployment. Our plans in this regard will become apparent this week with the tabling of the capital estimates for 1986-87.

The total 1985-86 capital expenditures, including this supplementary, will create and maintain approximately 1,100 jobs over the course of the next two to three years. It is anticipated that the capital supplementary will result in the creation or maintenance of approximately 370 jobs.

Unfortunately, we are also the victims of a climate that does not allow us the luxury of being able to initiate and complete capital projects as quickly as our southern neighbours. It is, of course, for this reason that the Yukon's capital or main estimates are traditionally tabled at the fall session of the Legislature preceding the construction season. The supplementary capital estimates before you today are our best estimate of the work that can be practically and cost-effectively completed prior to the fiscal year end.

¹⁷ I now wish to take a few minutes to discuss some of the specifics contained in the supplementary estimates before you.

The bulk of the funds that you are being asked to approve are being spent under the authority of the Department of Community and Transportation Services. We are requesting about \$40 million for this department. Of these funds, \$7.6 million are for engineering services agreement work for the federal government, largely on the Dempster Highway. These monies are wholly recoverable.

An additional \$1.4 million has been provided for the construction of highway camp facilities. This includes approximately \$500,000 for a new camp at Blanchard River and approximately \$400,000 for generators at the Klondike Camp. These expenditures will improve working and living conditions for our employees and contribute to

the modernization of Yukon's highway system.

I also wish to announce today the creation of a local employment opportunity program, which will be administered by the Department of Community and Transportation Services to assist in the creation of jobs over the course of the coming winter. This program has been allocated \$2 million. The funds will be available to municipalities, Indian Bands and non-profit groups for capital related projects between now and March 31st of next year.

It is anticipated that this program will provide 1,900 person-weeks of employment. Preference will be given to those projects that have a significant component of local hire and materials. Priority will be given to those projects under \$100,000 to allow for the greatest level of participation by all areas of the Yukon.

The projects undertaken under this program will reflect the priorities and needs of local groups and communities. This program will result in the upgrading of facilities that will strengthen and improve services to people throughout the territory.

Communities will also be provided with an additional \$653,000 for the construction and development of recreation facilities and programs. Included in this amount is \$110,000 for recreation planning in the communities and \$123,000 for the Whitehorse Curling Rink.

In the Department of Economic Development, an additional \$1,125,000 has been allocated to the Economic Development Agreement. At the time the Main Estimates were prepared last fall, the agreement had not been finalized and the required funding level could not be determined with precision. We now have a signed agreement and are requesting additional funds to carry out our responsibilities under this program. The bulk of these monies are recoverable from the federal government.

As I am sure all Members of the Legislature are well aware, support of the educational system is a priority of this government. To that end, \$899,000 has been allocated for improvements to school facilities and equipment. These funds will be spent on a number of different projects that should be of continuing benefit throughout the Yukon.

An additional \$1,330,000 has been requested for the construction of Yukon College. These are re-vote funds from 1984-85 that we intend to spend in the current year to get this important project fully under way.

In the Department of Health and Human Resources, new expenditures are proposed for health and senior citizen-related facilities. Our contribution to the Northern Health Services Program has been increased by \$1,183,000 to expand and upgrade services throughout the Yukon, especially in the smaller communities.

¹⁸ There has also been included \$305,000 for renovations to Macaulay Lodge. These expenditures are a reflection of our commitment to improve the accommodation and care of our senior citizens. The Department of Government Services has been allocated an additional \$515,000 to carry out major maintenance of public buildings. This is an area that has long been neglected and requires immediate attention. As part of our ongoing capital planning process, it is our intention to initiate procedures which will ensure that the scheduling of building maintenance and replacement is carried out in compliance with more rigorous attention to improved standards.

As part of our commitment to increase accessibility and use of recreational areas, the Department of Renewable Resources has been provided \$196,000 to develop wilderness trails and scenic viewpoints. The restoration of the old Territorial Administration Building in Dawson by the Department of Tourism will be a continued expenditure of an estimated \$595,000. The department will also be providing \$100,000 to various communities for streetscape development.

Included in this bill is approximately \$2.5 million for the construction work on the Philipsen Building, which has proceeded at a rate faster than anticipated. Provision has also been made for inclusion in the Department of Justice estimates of approximately \$150,000 for the construction of a halfway house. This will allow the gradual reintegration back into society of individuals who have experienced conflict with the law. In addition, \$100,000 has been allocated for court facility planning in the communities, a long

overdue requirement.

The projects and programs that I have mentioned are examples of the projects to which my government is committed. My colleagues and I will be available to provide further details in their respective departmental programs.

As I have stated before, we are dedicated to the improvement of our communities, and our economy, and above all, to the creation of employment opportunities, wherever they might present themselves.

To that end, I commend this bill to the favourable consideration of all Hon. Members.

Mr. Lang: I rise to make a couple of observations about the bill that is before us. As all Members know, it is a supplementary to the capital main estimates that were passed by this House in 1984 for the 1985-86 year. There are quite a number of us in this Legislature who were re-elected who were involved in one manner or another as far as the discussions in this forum for the main estimates were concerned.

I want to begin by saying that this side agrees with the purpose of the winter works projects in principle, the \$2 million that was designated for that purpose. As the Government Leader knows, and we all know, over the past number of years various programs have been taken forward over the course of the winter with the idea of providing winter works projects for the various communities with the idea of providing employment, especially in our rural communities.

The one concern that I would point out to the Member opposite, and I think that it should be given due consideration, is that the projects we are going into should also not only be looked at from the criteria as outlined by the Government Leader, but should also be looked at from the perspective of whether they can bear revenue down the road for either the community or the Government of the Yukon Territory. I make this observation from a constructive point of view, because I think it is time that we, as a government, have to take that into account. Too often, we are putting money into public facilities with no thought of what the operation and maintenance costs are down the road and, inadvertently, unintentionally, we are in a situation where we burden a small community with perhaps a tax bill they cannot pay. Or, the converse is true, that they come to this House looking for more money to offset their costs. I think it is a principle that should be examined and examined closely as far as these applications are concerned.

I would also like to point out that in the scope of the main estimates, or the estimates that have been provided here, with the supplementaries, that there are approximately four or five new programs that I can see are in the planning stages incorporated in the budget speech.

¹⁹ I think that, in fairness to all Members in this House, in the examination of the main estimate, and the examinations of the Capital Budget, we seriously have to look at what the consequences down the road are going to be, once again on the O&M costs to this government. It is nice to talk about these programs, it is politically advantageous to discuss the implementation of a new program, but I think we have the responsibility to look at all the associated costs. The capital cost is one thing, but whether or not we can afford to pay for the lights, whether or not we can afford to pay the janitors, whether or not we can afford to pay for all the costs that are on an ongoing basis in our O&M budgets as time goes on is a very important criteria that I think that has to be given consideration. Also, the consideration to those smaller communities, as to whether or not they can afford those facilities, as we attempt to raise the quality of life as far as individuals are concerned.

I just want to make a comment in closing, and that has to do with the statement that the government has said, "my government is not prepared to permit the fear of a deficit to stand in the way of remedial action". As a taxpayer of Yukon and as a person who represents a great number of people — just like all Members of this house who pay taxes on an ongoing basis, whether it be directly through property tax, through fuel tax, or all the various other methods of raising tax — I want to raise a concern here. I want to caution the side opposite in their rush to try to remedy all the social

problems of today that if we get into a situation where we are deficit financing we could be in a situation where we will not be able to pay our bills. It should be pointed out that one of the underlying reasons for the major capital transfer of dollars to this government is not only the fact that we do not have direct access to the revenues, as far as our resources are concerned, but also from the principle that we have such a limited number of people who actually pay directly into coffers of this government. We have 27,000 people in the territory. I think that we have approximately 10,000 to 11,000 eligible voters in the territory who, in most cases, pay taxes. That is not a lot of people to draw from. In view of the comments made by the government, I am sure we will have further comments to make in the general debate of the Main Capital Estimates for 1986-87. I want to make it very clear to the side opposite that deficit financing is not necessarily the way to go, unless there is a method and there is a plan to raise revenues to pay for that deficit down the road. Because the rest of Canada has a mortgage, because most of the provinces have a mortgage, it does not mean that we have to have one too. Thank you very much.

Speaker: It is my duty to advise the Assembly that the Honourable Member is about to exercise his right to close debate. Afterwards, all Members will be precluded from speaking to this question. Therefore, any Member wishing to speak should do so now.

Hon. Mr. Penikett: There being no other Member seeking the floor, I would like to conclude the second reading debate on this item by complimenting the Member Opposite on his instructive intervention and, if I may, respond to a couple of the major points that he made in his address.

As the Member will know from having been in this House for many years, the O&M consequences of our capital spending and the need to integrate our O&M and capital plans has been a subject of deep concern of mine for a number of years.

²⁰ In recent years, it was my pleasure to note that the Government of Yukon had begun to develop the capacity to do this. That is still the case and that work will continue, although it is not at a sufficiently advanced stage with computer technology and computer models to be able to do it as well as we would like. However, the O&M implications of this budget will be picked up in the 1986-87 mains, as they should be, because the member is quite right, costs do come on in capital projects.

Of course, not all capital costs produce incremental O&M costs, but there are a number of them which do — some of them are quite remarkable. Just the other day, I was discussing with my colleague, the Minister of Justice and Minister of Government Services, the number of person-years that would be created as a result of the completion of the Philipsen Building. They are ones that we appear not to be able to do anything about. Just the opening of that building requires a plant which will have to be operated and maintained by new person-years that we do not now have on our payroll. So, the member is quite right; there are implications.

There are, however, some other implications which work in the opposite direction. As we make our buildings more modern and more energy efficient, hopefully there will be savings that can be realized and we will save not only person-years, and with more energy efficient or more efficient kinds of plants, we may also save some O&M costs that we are now spending on fuel and such things, as we improve our plants.

Clearly, though, the member is quite right that, when we are evaluating capital options, we should be looking very carefully at what the O&M implications are. There are some cases where we will want to create jobs in a community because it is an advantage to them. Let me use an example: it might be, on a narrow economic basis, cheaper to fuel a building by oil but there is employment potential created by cutting wood and fuelling a building by wood which has a number of other economic benefits for that community that we might want to support. So, there are those implications.

I want to say something about the Member's remarks about deficit budgeting. Of course, there is no way of calculating surpluses or deficits, at this point, in the 1986-87 fiscal year. That

is clearly impossible. The member has conceded, right off, the true point that we are spending to create jobs. It is true, I guess historically in recent years, that funding every year has exceeded spending. We expect that will be the case this year.

The formula financing arrangements we are now operating under have changed, a little bit, the way in which we will have to present the estimates. With the advent of formula financing, our grant from Ottawa is no longer, as the Member knows, divided between O&M and capital. This creates a problem with respect to the presentation of summary financial information in the main estimates. This problem arises because, unlike the provinces, we table our main estimates on two separate occasions: capital in the fall and the O&M in the spring. When our capital estimates are tabled, our estimate of the funds that will be available to the Yukon in the subsequent year is very, very, very preliminary. To show the estimated funds available less capital expenditures as a surplus is unrealistic now, since the bulk of that surplus will be required for the O&M purposes, and also tends to prematurely reveal the amount of funds that will be budgeted in the O&M main estimates that will be tabled in the spring. Clearly, as Members opposite know, we cannot do that.

²¹ This year, the condensation of the budget cycle, if you like, and the fact that there was no spring budget, has made it difficult to put this process on a regular footing. Accordingly, the presentation of the estimated position of the year has been included in the capital supps, which I think Members will have noticed, which is the best way for the Legislature to see the overall picture for the current year. I will not refer to the document now, but it is specific in the document. To avoid this problem with the 1986-87 capital mains, which we just introduced, we propose to show a balanced capital budget, i.e., to allocate only enough grant money to the capital to result in a nil surplus/deficit position, and to make no mention of an estimated federal grant or the availability of funds in 1986-87. In the spring, we can show an estimated surplus position for the whole of the 1986-87 fiscal year, taking into account both the capital budget passed the previous fall and the O&M presented in the spring budget.

If we are in the situation, as we are now, with the 1986-87 capital mains being tabled, and if we are asked as to how we allocate the funds to the capital, when we are uncertain as to the availability of funding, we have to explain that the capital mains are based upon the preliminary estimates of the money likely to be generated by the grant under formula financing. If there are adjustments required, for any reason, including changes arising out of planning over the winter months, or whatever, we can and should present these to the House as we normally do, as a capital supp in the spring session. That is how we will do those adjustments if it becomes a problem about the availability of funds or more funds or, as the Member opposite knows, we have a major capital project which we cannot get under way as fast as we want or there are delays or, as we have also seen in the proposals we have just read today, opportunities to advance them. I hope that is something by way of an explanation of the situation we are now in under formula financing in respect to surpluses and deficits.

Motion agreed to

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

Speaker: It has been moved by the Hon. Government House Leader that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

22 COMMITTEE OF THE WHOLE

Chairman: I now declare a brief recess.

Hon. Mr. Penikett: If I may, before we recess the Committee as we are going into the 1985-86 mains, I wonder if I could give you formally notice of my intention to have a witness available from the Department of Finance for the general debate, in the unlikely event there are any questions I cannot answer, or let me more accurately put it: in the likely event that there are specific

questions that I cannot answer.

Some Members: Agreed.

Chairman: Having been remiss in calling the Committee of the Whole to order, we will now recess.

Recess

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

I would like to welcome our witness, Mr. Florian Lemphers, director of program analysis, Department of Finance.

We will be dealing with Bill No. 2, *Second Appropriation Act, 1985-86* — general debate.

Bill No. 2: Second Appropriation Act, 1985-86

Hon. Mr. Penikett: Perhaps I should do two things. For a start, I will explain that Mr. Fingland is not with us today because he is leaving on holiday for the Khyber Pass and other points, and Mr. Lemphers is filling in for him. I would like to say something more, by way of kicking off general debate, about the job creation impact of government spending. As I said in the opening remarks introducing this budget, we had no tool, until recently, for measuring the number of jobs created in the public sector as a result of government spending. We are just now developing that tool, and the numbers you see indicated in the capital and the capital supplementary are the first numbers we have begun to generate from this exercise. Because it is a new exercise, the process will have to be refined over time and we have no benchmarks, of course, for comparison. The numbers we have are preliminary and they will serve to be, hopefully, something against which we can make comparisons in future years.

Once the benchmark is established, we will be in a better position to look at the incremental impact on the private sector job creation as a result of our budget expenditures year to year. We will be better able to enhance those areas of spending that we know have positive private sector job creation impact, and perhaps curtail those which do not if they are of marginal use to us for other reasons.

Let me indicate to you some global numbers that we have — I think these are approximates because the tools are not refined — of the impact of this budget, the 1985-86 O&M budget, the Pearson-Phelps-Penikett budget, which you have before you.

Mr. Phelps: *(Inaudible)*

Hon. Mr. Penikett: Mr. Phelps claims no responsibility for it whatsoever. Call it the Pearson-Penikett budget, if you like.

We have in here, as you notice, 1,552 government person-years. The direct private sector jobs created in the Yukon by this budget are estimated to be 2,232 jobs, in the private sector. The total employment in the territory as a result of government spending is about 3,700 jobs. That is of this government's spending, not counting the federal government and municipal government. If Members are interested, we even have breakdown numbers, per department, of the job creation impact. If Members are interested, I would be prepared to read them into the record.

Mr. Lang: I have some observations on the budget, overall. We have an increase of 50 person-years in total throughout the budget. I recognize that some of them are the force of growth, and some are discretionary as well, depending on where you want to increase programs or objectives as far as the government is concerned. I just want to state one concern and that is that we have to be careful with the increase of the permanent complement of the government, because from our vantage point the more we do that the more we lock ourselves in as far as the overall conduct of business of the government is concerned. It is one area I thought would be looked at: the idea of seeing what could be done with the private sector as opposed to increasing by the proposed 50 man-years that was in the preliminary draft of last January, to see whether or not there could be an increase of service done by the private sector in some cases. In some cases I know that it was not possible.

The question that I have to the Government Leader specifically, as far as the general debate is concerned, has to do with investment policy and it is mentioned in the O&M budget address set out by the Government Leader and the Department of Finance. It has to do

with the investment policy. Did we have any money invested in the two banks that are under such public scrutiny as far as the country is concerned, as well as the creditors and depositors?

Hon. Mr. Penikett: Not as far as I know. I do not believe that the investment policy of this government would involve putting money into those kind of securities. There is a quite mysterious and marvelous person who sits up in Finance who, in the middle of the night, quite literally, is involved in depositing money and doing electronic transfers that allow us to place money, the cash that we have on hand, and obtain interest or obtain revenue from it. As you know, the capacity now exists to send money all over the world. Usually the kind of paper that is bought with that money would not involve shares in either the Continental Bank or the Northland Bank. I will check to make absolutely sure that we have not acquired any paper like that, but this would be money in term-deposits, short term money. I think that we had something in the neighbourhood of, I am trying to remember, was it half a billion dollars, placed in short term money in the course of the last year, in total, in terms of transactions? We do know those numbers, and if Mr. Lemphers cannot answer them, I will get back to you on that.

Mr. Lemphers: I can assure you that we did not have any funds invested with the Canadian Commercial Bank or Northlands Bank. We looked at their prospectus when they sent it up and we rejected it. The number of investments we do have are with Dominion Securities, Wood Gundy, Richardson Greenshield, Bank of Montreal, Midland Doherty; all reputable firms. The major investments are in treasury bills and short term deposits.

Mr. Lang: To follow further on that, looking at the forecast, we have a substantial decrease of investment income. In 1984-85 there was \$5,000,223, and now in 1985-86 we have \$3,250,000. Could the witness or the Government Leader account for the drastic changes as far as the forecast is concerned? What are the differences in the forecast?

Hon. Mr. Penikett: I would assume that the major reason is the falling interest rates. No matter how much money you have on hand, if it is getting a smaller return, that would have a bearing. I will ask Mr. Lemphers to answer that. Could I just respond briefly, before I do that, to an observation made by the Member in his previous remarks. I thought he was going to pursue the question of the person-years in the budget. I understand very well what he is talking about. He will also know, from the documents I tabled here in July with respect to the interim supply that we talked about, that 41 of the person-years in here were built into the Pearson budget estimates in terms of the estimates here.

The reason, if I can tell you in terms of general budget policy, is that we were given an option with some cash in hand between embarking on some new programs, which might have had an employment impact, as opposed to putting money in the capital budget, recognizing that we have a situation now of high unemployment and, uniquely, probably, among governments in Canada, a cash surplus. That was the source of the decision to put it into the capital budget rather than the O&M budget. The O&M budget gives you continuing obligations for years and years and years to come. In most cases you set up a program, you have offices and you have person-years, which we did not want to undertake or burden ourselves with.

Perhaps I could refer the second question though, about investment income, to Mr. Lemphers.

Mr. Lamphers: As the Minister of Finance has indicated, some of the decrease in investment income is a result of declining interest rates. With respect to the rest of it, we have in the Department of Finance somewhat erred on the side of conservatism in our estimates. We expected at some point in the future to be larger than the reported figure of \$3.2 million.

Mr. Lang: Let us be, for a few minutes, liberal. What are you projecting for investment income? If this is a conservative prediction, what are we looking at: \$4 million, then?

Hon. Mr. Penikett: I wonder if we could get back the written answer on that. I think we could end up in a long debate about whether we had more money under the Liberals than under the Conservatives, and I think that would not be very useful. I know that the reason the estimate in here is conservative is because you

are not talking about guaranteed sources of income, and interest rates and other things do have a big bearing on it. Can we get back to the Member with a written answer on that one?

Mr. Lang: Fine.

Mr. Phelps: I have a question arising from your earlier dissertation about the econo-metric computer model and so on. I, being a bit of a novice at that sort of thing, have some serious problems; I realize one has to make an attempt to make these kinds of predictions and that a model does have usefulness and I commend you for carrying on and having this developed.

My concern really has to do with how one goes from a budget and translates that into jobs in the private sector, because it seems that there is such an array of assumptions that might have to be made. For example: if one is looking at a capital budget, one can pretty well guess how many construction jobs are in the offing.

Take another extreme: a marketing program on behalf of tourism. It seems so difficult to translate that into jobs, or a similar kind of promotional activity and program on behalf of, say, mining companies.

Hon. Mr. Penikett: Mr. Phelps is absolutely right about this. The tool we have right now is unrefined. It is, let me emphasize, a blunt instrument. However, we do have data which shows us, in terms of expenditures in different areas, such as indicated by the Member, how many local private sector jobs will be generated by an expenditure of a million dollars. It varies from quite a low range in some areas. Clearly, if you spend a million dollars on computer equipment, you would create very little in the way of jobs; if you spend a million dollars cutting wood, you can create quite a few jobs.

An example of that, I think, was built into my on-line budget statement where I talked about the million dollars spent on the fossil fuels here would create three jobs; the million dollars spent on wood fuel for example would create several dozen. Again, I emphasize that the tool is not yet as sophisticated as it might be, and the Member will understand that there are several different ways of doing these calculations.

What we want to refine over time, because we now think that for the big numbers this model is pretty accurate — we have tested it against historical data and so forth — is that, as we refine it in terms of specific sectors, for example, actual spending against actual experience in years, we will get a tool which is more and more accurate.

It has a number of interesting applications. As I indicated in the O&M budget, we intend this to be a new criteria in evaluating spending proposals that come before us, particularly at management board. So not only will we look at such factors as to what purpose this will serve, who will benefit, which community — in terms of allocating resources fairly around the territory — gets it; but given the choice between this expenditure and another expenditure for a similar amount of money, what are the relative employment creation effects. We will have that information going into management board. For expenditure 'X' as opposed to expenditure 'Y', 'X' may have twice as many jobs as 'Y'. That will give us reason to want to bless 'X' as opposed to 'Y', given some hard choices.

Mr. Phelps: I would like to thank the Government Leader for his explanation. I would simply caution the government as to the use of this model. All the assumptions must be built in with regard to certain kinds of expenditures that are aimed solely at facilitating the private sector, that there could be a large room for disagreement as to the appropriate numbers, multipliers and so on. An obvious example is the marketing dollars in tourism, or money spent on the mining program you are introducing, and I am pleased to see that. If you are building a road to resources, you are going to get an awful variance as to how many jobs that might create. It is almost apples and oranges, because it depends on your philosophy as to what you think of the private sector.

Hon. Mr. Penikett: Let me say this, because I do not want to mislead the House or the Member opposite about the extent to which we use it. It is one tool. We recognize, as I said, that at this point it is a blunt instrument that we will want to refine over time. We recognize that the quality of the statistical data may be in doubt from time to time, particularly in some sectors where it is literally

hard to get data or hard to measure it. We recognize that and we will want to cross check it. It is one of the reasons why, with the new Economic Council, as we have quarterly statistical data published, we will want to run those numbers by the Council and get a commentary from it. Obviously, I want a commentary mainly on the trend lines and some of the larger strategic problems that those numbers might suggest. We are presenting numbers such as the ones you talked about in the tourism industry, because you have a representative of the tourism industry there, the President of the YVA, who might have some problem with the government numbers and they want to share with everybody else. The model that we are using here, or the tool that is used here is different from some of the others that are employed now in a couple of departments. Economic Development and Tourism have some of their own. We will want to be testing those numbers against each other over time to see which ones really stand up against the real experience.

Mr. McLachlan: Heavy discussions on the budget aside, I want to make sure that the Government Leader insists that there be a change made in *Hansard* on his very first answer, because failure to do so is going to upset a few chief executive officers in Toronto. The Continental Bank is the seventh largest bank in Canada. It has not gone under. I need a few CEO's on my side in Toronto. You said Continental, sir, you meant Canadian Commercial.

Hon. Mr. Penikett: God bless the Continental Bank.

Chairman: Thank you for that clarification, but do you have a question, Mr. McLachlan?

Mr. McLachlan: Not at the moment. It was a clarification.

Mr. Lang: While we are on general debate, and following the dissertation between Mr. Penikett and Mr. Phelps, I would like to make an observation and I would like a response from the Government Leader. It has to do with the statistical bureau. I noticed that later on in the budget we will discuss the number of man-years and the amount of money that we are speaking of. The concern that I have is from a political point of view. In the transition of government, there was consideration being given to the statistical bureau, what area it should stay in, or move to ECO or go back to Economic Development or vice versa. Really, to be quite frank, I do not think any firm decision was made because of the situation that was taking place at that time. I personally subscribe to the position that it had to be out of the political arm of government. My concern was, and the observation I would like to make, is that I think that that should be taken from ECO and put into some other department and perhaps report to the Economic Council the Minister has set up, so that the possibility of political interference cannot be there or be perceived to be there. I would like the observations of the Government Leader. I know it cannot be rectified today, but would he be prepared to rectify that situation?

Hon. Mr. Penikett: The Member opposite is joining in debate of which I am curiously part, but I have to tell you that I am not unreservedly on the side of the people in the Statistics Bureau or Statistics Branch. You will recall that it was in the Department of Economic Development, such as it was. It was there. Shortly before the government changed it was moved into the Executive Council office. Now, given my appetite for statistical data, and our desire to concentrate our efforts on the economic front for the next little while, I was very, very keen that we have the engine providing us with the economic numbers. I was seriously contemplating moving it back to Economic Development so that I would make sure that it would be supplying us with the information needed on the economy.

I hope no one will mind my saying this, but the head of that branch made an eloquent and forceful representation for the independence of the statistical entity and an argument for it remaining in the Executive Council office. I have conditionally, since both ministries report to me, agreed that it stay there. If I ever have any problems getting statistical data that I need for economic development, I might rethink that decision.

Let me respond to the idea that it report to the Economic Council. I do not think that that is a practical suggestion, because this is a service agency for the entire government. I do not think that the Department of Health, when it needs some data on some particular health statistics or some numbers run or some numbers crunched,

would want to go to Economic Council to get the statistics agency to give them the numbers. Nor would the other departments that use it. Part of the argument for it being Executive Council is that it is a service agency to all departments of the government, not just Economic Development. So, the situation right now is that it is in the Executive Council office. For the time being it will stay there. I may as well tell Members that I have decided myself to review that decision prior to the 1986-87 mains.

I understand very well, and sympathize with the arguments for the independence and the integrity of numbers of the statistical agency, and I think that can be done. Maybe the best way to do that is through a statistics act, or something like that. Mr. Lang and I may be about the only two members left who remember the last debate we had about the statistics act. I do not look too sheepish. The clerk is looking at me critically since I had a role to play in that debate. It is a question I have had to think about and I have not made up my mind finally on the question.

Mr. Lang: I am not going to get too far into debate about where it should actually lie in the government, because the reality of the situation is, as the Government Leader has pointed out, that it reports to the same minister in any event. I guess my concern is the credibility of the numbers that are being generated and the assurances that those numbers are not being tampered with, in any shape or form, not to say that the present minister would do that. The point is, the perception could be that those numbers are either being withheld or are not being put forward for political reasons. What I am looking for is the assurance from the Government Leader that we do have now, I believe, a quarterly report of various information emanating out of that particular branch. Also, I would like to have his assurances on the record here that any information that is utilized in this House for the purposes of substantiation, or for the purposes of numbers generated through the statistical branch, will be put forward to the House on request, and also, further, that no one but the statistical people involved will be involved in the final figures brought forward. I guess that is the assurance we are all looking for so that there can be no perception whatsoever that, for political advantages one way or the other, various steps are taken at that level.

Hon. Mr. Penikett: I should first of all tell the member that we have no intention of diddling with the numbers. That would be self-defeating, if that is what he is asking. The second point is that the numbers we are talking about here are not developed, I think, by the Statistics Bureau, but by the Management Board Secretariat with a tool that was developed by Finance and which, in fact, may be run through the same computer model. So, the Statistics Bureau are not the only people generating numbers in this government. In respect to the role of the Statistics Bureau, though, I take the member's point that the integrity of its numbers is very important. The access to some numbers, which it has are, in fact, from Statistics Canada and there are very tight legal restraints on the use and publicity of some of those numbers, as the member well knows. You have to be sworn in under the *Statistics Act* to even have access to some of them.

It is right now operating with fierce independence in the Executive Council Office, but it is also providing a service to many departments which ask for information. The quarterly stats coming out are published as they come out. We do not do anything to them. The only thing that will happen now is that they will be referred to the Economic Council so that the Economic Council can publish some commentary on them, which I will also not have anything to with changing. They will publish it. They are an advisory board to cabinet but they will do that in an independent way. Cabinet will then have those numbers and have the statistics and have the commentary in a way that we can react to ourselves.

Mrs. Firth: I would like to go back to talking about the review that is being done to determine the impact of government programs on the private sector. That review, according to the O&M budget address that was given, is being done by the Department of Finance. Are there any outside people/consultants who are coming in to assist the department or is it being done strictly by the Department of Finance?

Hon. Mr. Penikett: I am sorry. Was the Member asking if the

tool that we have developed to do these numbers was developed inside the Department of Finance or by a contractor. Is that what the Member is asking?

The answer is by a contractor.

Mrs. Firth: Yes, that is what I was asking. So it is not being done by the department, it is being done by a consultant in coordination with the department. I want to know if . . .

Hon. Mr. Penikett: Mr. Chairman, if I may, since Mr. Lemphers is 50 percent, perhaps even 51 percent of the Secretary of Management Board, he may be able to tell you a little bit more about the contractor. I believe the contractor is well known to the Member opposite.

Mr. Lamphers: The contractor was Dr. David Reaume, who at one time I believe was the Chief of the Bureau of Statistics for the State of Alaska. He is with the University of Alaska, and has developed a job impact model, which we have been looking at the various budgetary documents with. Dr. Reaume also was instrumental in developing both the NEWYEM model and the SIAN model, which are acronyms for socio-economic impact model that the current Department of Economic Development is using. He is very well known in his field and is a graduate of Harvard University.

Mrs. Firth: I was not so much interested in who was doing the work. I wanted to know whether it was being done with some outside assistance.

I want to ask a question relating to the model that is in place. Is that relating only to jobs and how government programs influence jobs within the community, or does it relate as well to, say, the effect that it could have on the private sector salaries, or the effect it has on employment within the private sector, whether the private sector is having difficulty hiring people, or is it strictly in relation to jobs?

Hon. Mr. Penikett: This particular instrument is only to measure job creation impacts for spending. I am trying to remember my briefing on this from some years ago. In the economic computer models, which are available to this government — which I understand are quite excellent, but they are under-utilized — there are ways of calculating such things as, if wages in a certain sector get out of whack, what impact they have on the private sector in terms of their hiring or their ability to hire, and so forth. I believe you can run questions like that through this model.

Mrs. Firth: Developing a model that can make these assessments sounds like a very huge undertaking. Is the Government Leader looking to adding to the model so that they can perhaps make those kinds of assessments in the future?

Hon. Mr. Penikett: No. I may have unconsciously misled the Member. The existing models, the ones that are available to the government now, can answer the question she just asked, in some form. The particular question that we are looking at here is simply the job creation method. That is really the only new thing. We want to be able to do it in terms of the impact of various program expenditures, only talking in crude terms about departmental expenditures. Over time, we will be able to say, when we are looking at a new program or evaluating a new program, what does this program do in terms of employment in the private sector as opposed to another program. We will be able to evaluate not only new potential programs but existing programs in that way. We want to be able to do that.

Mrs. Firth: I find the term "job creation" very fascinating. When governments are asked to define it or explain exactly what they mean by it, sometimes it is rather difficult. I understand the concept of assessing how jobs can be created within the private sector and how the government's programs can affect them. Is the government looking at any specific jobs? They have mentioned that they are looking at jobs in relation to women and Indian people, I believe, single parents, small income earners. How is the government going to assess, by program, whether they can create jobs in a particular area?

Hon. Mr. Penikett: First of all, the Member is quite right to be picky about the word "creation". In some cases we are talking about maintaining jobs, not creating them. The correct words I should have used is the "job impact" of these expenditures. My

speech on the O&M budget alluded to the fact that we may be able to, with this device, measure the employment impact of, for example, daycare subsidies — to what extent that may enable single parents to be able to re-enter the workforce rather than, in fact, stay on social assistance or stay in some other kind of dependency situation.

Obviously, you will not be able to calculate that with perfect accuracy in the case of every family or every community in the territory. You can only say that the experience of spending this much and the probable impact is this or that. Again, I emphasize that it will take some experience with these numbers to know if it actually turns out the way the model predicts. If it does not, then it will have to be refined and corrected. Hopefully, there will be improving accuracy over time with these numbers.

Mrs. Firth: Are our unemployment insurance statistics still combined with British Columbia's?

Hon. Mr. Penikett: Very shortly, we are due to have newly reliable unemployment insurance data and numbers, which are generated from Statistics Canada using a method which is, I believe, unique to this area, because we do not have an adequate statistical data base to use the methods they use nationally for calculating unemployment rates. I cannot remember at what stage we are at in terms of approvals or clearances on that. Those numbers will come up periodically from then on and they will, we hope, be an accurate indicator of the level of unemployment in the territory.

Mrs. Firth: I do have a concern about that. It is very difficult to make an assessment as a government as to which programs are going to provide jobs if you do not have your unemployment insurance stats to say what kind of people you have in the territory with particular skills or trades who need to be employed. That kind of information is critical to identifying which programs you would want to proceed with so that you could cover your objective, which is to put the people who are unemployed and on Unemployment Insurance to work.

Hon. Mr. Penikett: Let me be perfectly frank. There is no problem getting the unemployment insurance statistics. We can phone any day of the week and find out how many people are collecting unemployment insurance for various reasons. That is not the same as an unemployment rate, for various reasons. One, there may be people collecting unemployment insurance who are on maternity leave. There was a time, although that has recently changed, when people who were in a pre-pension year, or going to Yukon College, would be on unemployment, so were not, technically, unemployed.

At the same time, there are people in many rural Yukon communities who are what Statistics Canada calls hard core unemployed or chronically unemployed and are no longer included in the statistics because they are not actively looking for work. If there are not any jobs around, no one is looking for them in some of the smaller communities.

While we have, I gather, a fairly statistically reliable measure, it will not be a perfectly accurate statement of how many individuals are not working at any given point in time.

Mrs. Firth: I want to move on to the comments made in the budget address about comprehensive review of government programs. I would like the Government Leader to give us some reassurance that this does not mean another government reorganization.

Hon. Mr. Penikett: I hope not. Unfortunately, the studies that were done previous to the government reorganization were really not complete in some ways. There were some things they did not even look at. The financial administration units right across this government were not looked at in terms of how they might be better combined or worked together. There was work that was not done in that review and probably should have been done before any reorganization was completed.

In the review we are talking about, there is now a program evaluation group appointed. These people are departmental policy analysts.

If Mr. Lemphers leaps up and starts waving his hands I am going wrong, but as long as he does not do that I am going right. A group

of four people, as a subcommittee of management board, will be doing this ongoing review.

The Policy Analyst in Education, an administrator or manager from Renewable Resources, the director of the Statistics Bureau and Mr. Sewell is the fourth one, from Community and Transportation.

Mrs. Firth: I have one final question, again, being picky about words. I would like to know what the Government Leader means about looking for 'value for money', what do you mean by 'value for money'?

Hon. Mr. Penikett: I am surprised that the Member does not know what the expression 'value for money' means. That is a favourite of the Public Accounts Committees and auditors, people like that. In recent years a new auditing technique has been developed which is a 'value for money' question which does not look simply at the latest auditing. It does not look at whether the books balance; it does not look at questions like that, but looks at whether the government is getting 'value for money' in this expenditure; whether this is the most efficient and economic way to achieve the stated objective. It does not question the objectives; that is a policy matter. If your objective is to move people to Porter Creek and the government has a \$500,000,000 airship program, this will evaluate whether that was the best 'value for money' the government could have got. Was this \$500,000,000 really the right way to move people to Porter Creek, or perhaps whether there was not another method, such as helicopters, or canoes or roads even.

Mrs. Firth: The Government Leader is taking 'value for money' strictly from a technical, fiscal point of view. He is not attaching any philosophical or political 'value for money' to his comment.

Hon. Mr. Penikett: It sounds all too philosophical for me. I think that we could have a very long debate on the value of money, but this is probably not the place; perhaps Sundays are the right day for that kind of thing. The 'value for money' question we are talking about has become a standard term in audits or in fiscal policy analyses, yes.

Mr. Lang: I have a question for the witness. In 1984-85 in income tax, as far as revenue is concerned, we have \$15,207,000. I would like to ask why the increase in the area of income tax to \$18,750,000 with your projected increase. It is substantial. Is there any definitive reason or is it because of the past projections that you have based your figures on?

Mr. Lemphers: The estimates for the 1985-86 figure is a gross figure, which includes revenue only. The 1984-85 forecast figure for income tax is a net figure, which accounts for any paybacks made to Canada as a result of overpayments in prior years. At this point in time, when we were developing the main estimates, we were better able to get an actual figure for 1984-85, and that is the difference.

Mr. Lang: I am thoroughly confused. I understood that we owed Canada some money. I understand that, because we took in more from Canada than we had coming. I understand that part of it. The point being is income tax is a projection of how much you have coming to you as a territory. Now, all of a sudden, we are in a situation where we are up to \$18 million. Are you telling me then in 1984-85 we really in effect had \$18 million but we paid \$2 million or \$3 million back, and subsequently that was the reason for that particular figure?

Mr. Lemphers: The income tax, as you know is deducted as a revenue from the operating grant. Depending on various types of payments of revenue, under EPF, for example, there are adjustments made to the operating grant on, I believe, a three-year cycle. Income tax is, I believe, a two-year cycle. The reason for the difference in the figure is that with the 1985-86 estimates, it is a gross figure, and we are estimating on the basis of revenue only. With the 1984-85 figure, it is a net figure, based on any adjustments that have arrived as a result of overpayment in previous years. It could have been in 1983-84 that the overpayments were made.

Mr. Lang: Am I led to believe then that in this particular figure of \$18,750,000 we could conceivably see a situation where, perhaps, the revenues are not owing, as you have projected, and subsequently we will have a decrease in that figure in a year down

the road, depending on what our base is as far as our dealings with the Government of Canada?

Mr. Lemphers: That is correct.

Hon. Mr. Penikett: We get advance money, and if they advance us too much, we have to pay it back in a subsequent year. An interesting case, which we had was in 1981-82, as I recall, was where they advanced us much more money than we earned, and there was an adjustment as a result of that. By the same score, there could be an adjustment the other way if our revenues went ahead of deductions, and we would only get an advance less than that.

Mr. McLachlan: I have a question I would like clarified with regard to drafting the bill on the human rights legislation. I am curious why the amount of money allocated is so high. Is this one lawyer working half a year, or is this a signal that it is an extensive piece of legislation which has required a great deal of drafting?

Hon. Mr. Penikett: I would ask the Minister of Justice to respond — but more properly that question should come when we get to the justice departmental estimates. It can be dealt with at length at that time, if the Member will be patient.

We will give you a general answer now if the Member would like a general answer, and I will defer to the Minister of Justice for the general answer.

Hon. Mr. Kimmerly: The money allotted will cover projected expenditures for the department in the legislative process for that bill, i.e. preparing any necessary opinions or documents as the legislative process occurs, and in setting up the administrative framework if the bill passes.

Chairman: Is there any further general debate? Then would Members please refer to Yukon Legislative Assembly which appears on page 14.

On Yukon Legislative Assembly

Hon. Mr. Penikett: May I suggest that the witness might be excused at this point, only to rejoin us when we get to the Department of Finance?

Some Members: Agreed.

Hon. Mr. Penikett: I am not sure this is really necessary, but I will say a couple of things about this item and see how much we want to discuss it. As all Members know, this program is made up of three activities: the Legislative Assembly, Legislative committees and the Commonwealth Parliamentary Association. The increase of \$302,000 is due to an increase of \$14,000 in the allocation of MLA pay; an increase of \$173,000 for caucus research and secretarial services; an increase of \$36,000 for members' travel expenses — and I am asked to note that this is an actual increase of only \$7,000 of the 1984-85 estimates due to the Assembly sitting fewer days than was expected in 1984-85 and the travel budget ended the year with a surplus of \$29,000 — and an increase of \$41,000 in professional and special services which is a result of the Assembly entering into a contract for the writing of the history of the Territorial Council from 1909 to 1961, which members will recall was originally begun by Mr. Al Wright and is now being carried on by, I think, Miss Linda Johnson.

There is an increase of \$20,000 in the Legislative Committee budget, and I am asked to note that this is slightly misleading because it includes \$11,000 for the National Public Accounts Committee Conference, which was a one-time expenditure, and this number is also distorted because committees did not spend \$9,000, which had been budgeted for professional and special services during the past year. There is an increase of \$18,000 in the budget for the Yukon Branch of the Commonwealth Parliamentary Association. This is actually an increase of only \$6,000 over the 1984-85 estimates due to a variety of circumstances last year, such as the cancellation of the Alaskan visit. Members will recall that we decided to have an election instead of entertaining the Alaskans. Parts of the CPA budget were not fully utilized.

On Yukon Legislative Assembly

Yukon Legislative Assembly in the amount of \$1,064,000 agreed to

On Legislative Committees

Legislative Committees in the amount of \$31,000 agreed to
On Commonwealth Parliamentary Association

Commonwealth Parliamentary Association in the amount of \$26,000 agreed to

Yukon Legislative Assembly in the amount of \$1,121,000 agreed to

On Clerk of Assembly

On Clerk's Office

Clerk's Office in the amount of \$280,000 agreed to

Clerk of Assembly in the amount of \$280,000 agreed to

On Elections

On Chief Electoral Office

Chief Electoral Office in the amount of \$51,000 agreed to

On Elections Administration

Elections Administration in the amount of \$269,000 agreed to

Elections in the amount of \$320,000 agreed to

On Retirement Allowances and Death Benefits

Mr. Phelps: I wonder if the Hon. Government Leader could explain the reason for that going down so drastically?

Hon. Mr. Penikett: We have here the total program of the two activities. The Retirement Allowances is the money in this activity provided for the funding of the MLA pension plan. That is the actual \$24,000 which I think we are setting aside this year to cover people who retire. The Death Benefits is normally a \$1.00 item, which is provided for the purpose of making lump sum payments on the death of Members or former Members to the estates or designated beneficiaries. In this budget an amount of \$5,000 is included, which will cover the required payment to the designated beneficiary of Andrew Philipsen.

Mr. Phelps: To make myself clear, I am wondering why the retirement allowances from 1984-85 went down by 90 percent.

Hon. Mr. Penikett: I understand that what we are doing here is, instead of forecasting this large amount, just putting aside what is necessary to discharge the obligations under the pension fund. I will double check on that, as I am not absolutely sure myself. As far as I know at this point, I think we have only one beneficiary. ³⁶ The reason the \$243,000 went in in 1985-86 is that the plan had just come into existence and it was necessary to cover the past service costs of the Members of the 25th Legislature. The item we have in now is just the funding we require from here on in, as it is now. So, when the fund was established, we had to put enough money to cover those people who already had six years service and, therefore, might become eligible. There were a number of people who, at the last election, had two terms and who left the House. I believe Mr. Pearson is probably the only one who is eligible, or is close to being eligible. I believe Mr. Taylor is still one year away from eligibility.

Retirement Allowances in the amount of \$24,000 agreed to
On Death Benefits

Death Benefits in the amount of \$5,000 agreed Retirement Allowances and Death Benefits in the amount of \$29,000 agreed to
Yukon Legislative Assembly in the amount of \$1,750,000 agreed to

On Executive Council Office

Hon. Mr. Penikett: In the organizational chart on page 23 there are a couple of errors which I would like to correct. First of all, under the Deputy Minister box at the top, it talks about the total person-years being 54.5; the correct number there is 51.5. In the box on the left-hand side identified as Executive Council Office Secretariat, the correct number there is eight person-years, not 11 person-years.

Mr. Lang: On the correction, exactly what does this do to your budget in reflection of the dollars that are being asked to be voted. Is there a change in dollars as well, or are you saying it is a typing error?

Hon. Mr. Penikett: It does not change the budget at all. These three persons were added into the organization chart at the time when Management Board, back in, I think, October of 1984, added some positions — a director of policy and priorities, a policy analyst and a secretary — which were never recruited and are not in this budget.

Mr. Lang: So, am I led to believe that the total complement of the man-years or person-years within the government of the Yukon Territory is three less than the total referred to on page eight. Where we have 1,552 employees; is that now 1,549?

Hon. Mr. Penikett: That may be correct, but I just want to be absolutely sure that there is not a double error somewhere. I will get back to the Member on that point.

Mr. Lang: Are we going to set aside the ECO, as opposed to clearing it, so that we can find out exactly what we are dealing with so far as the budget is concerned?

Hon. Mr. Penikett: The point is that it is only in the organization chart that these numbers are in error, but I am happy to stand the estimate until we get the explanation, if the Member needs it. In terms of this budget, though, it is 51.5 person-years.

³⁷ **Mrs. Firth:** For clarification, are we to change on page eight, in the Permanent Establishment Summary, that 54.5 to 51.5? Is that correct? Therefore, the total would change.

Hon. Mr. Penikett: I want to be absolutely sure there are no person-years missing in some other column before I would ask you to change the number at the bottom, so I will get back to you on that.

Chairman: Is there any further debate on Executive Council Office?

Hon. Mr. Penikett: Mr. Lang has asked me to stand over the item. Of course, if he wants to do that, we will. If he is prepared to proceed with the rest of it, with the assumption we come back to these numbers, I am happy to do that.

Mr. Lang: I would like to go through the various line items, with the understanding that we will not clear this part of the budget until we know exactly what the ramifications are to the total budget. I would suggest that we go on with line-by-line discussion, and then stand it aside as far as the whole item is concerned.

Chairman: That having been decided, is there any further discussion on Executive Council Office?

Mr. Phelps: In Cabinet support, you have 10 person-years, and a fairly large increase of 22 percent. Could you explain the increase?

Hon. Mr. Penikett: I apologize. I had a document which explained these increases, and I appear not to have it any more. We have Order-in-Council payouts; these are for the people who left the government, of \$252,603. That is the major reason for the increase in that budget. We are talking about OICs; that is all the severance for them.

Mr. Lang: Are you referring to the Deputy Ministers of Economic Development and Renewable Resources?

Hon. Mr. Penikett: I am talking about the Order-in-Council appointees and other such people, to the Ministers and to the Government Leader, who left the government when the government changed. The payout for them was \$252,603.

Mr. Lang: I have some general questions out of this particular area. We were told that the Cabinet and Members from the back bench of the side opposite had a meeting down in Teslin for planning the political priorities of the government. Is this where those costs would come forward?

³⁸ **Hon. Mr. Penikett:** As far as I know, there were no costs to the government for the meeting in Teslin. The costs for myself for meeting rooms, and so forth, my hotel and so forth, were paid out of my pocket, as were my meals. I assume that is the same as everybody else.

Mr. Lang: Just out of curiosity. Were government personnel involved in that meeting, such as the Deputy Minister of ECO, or any staff of that kind involved in that meeting?

Hon. Mr. Penikett: Because it was the planning meeting that the Member talked about, that is the aides, the Deputy Minister of ECO, all the political aides, all the caucus Members.

Mr. Lang: It was a straight political meeting for the purpose of planning the political direction of the Government of Yukon. Is that correct?

Hon. Mr. Penikett: A caucus meeting, as with the caucus meeting held here or for any other purpose, at which the plans from the Cabinet were outlined for the other caucus Members, and a discussion of those involving the political aides took place. It was a meeting of the Government caucus as would be any other meeting of the Government caucus, at which we spent two days discussing the big picture, the overall plans, not the detailed stuff we do in the day-to-day caucus meetings.

Mr. Lang: So that I clearly understand the working of ECO, then it is safe to say that with the Deputy Minister of ECO, who is an OIC appointment as a Deputy Minister, as opposed to the way the government functioned previously, that office is effectively becoming a very political office for the purposes of running your government. I say that not in a derogatory sense, but I want to get it clear in my mind. Previously, in any political discussions in the previous government the DMs were not involved, and this is a departure from past procedure of the previous administration.

Hon. Mr. Penikett: Well it may be. I am surprised to hear that no DM and no official ever came to make presentations before the government caucus before, and I would be surprised if that was the case. We have, in our time, had a number of officials of the government come and make presentations to the caucus. One, I remember, was the gentleman in Education who was responsible for the training programs. He came and made a presentation to our caucus. That is exactly the same situation, exactly the same kind of role played by the Deputy Minister of the Executive Council Office in this respect.

Mr. Lang: You mean that the individual involved was down there for half an hour, gave a presentation, and left?

Hon. Mr. Penikett: Because we were going over the entire agenda of the government, the overall agenda, an internal planning document, which this government has, which is the property of the Cabinet, outlining the Cabinet plans, and effect caucus reactions to them, that person was there for most of the weekend.

Mr. Lang: Can I end this part of the debate? I want to make it very clear. I am not questioning the government's right to do this. The point I am making is that the ECO office is becoming very much of a politicized office as opposed to what it was in the past, in respect to putting the agenda forward, and various other political responsibilities obviously entailing through the present incumbent and the office the way it works now. That is the only point I am making.

Hon. Mr. Penikett: I think the Member opposite is making the wrong point. We have had, and will have in the future, caucus meetings, whether they are held in this town or other places, where we will have public servants come and make presentations about proposals or plans to the government. We have had an entire caucus meeting on training programs, and so forth, where we had the persons responsible. We may well have caucus retreats or caucus meetings elsewhere in the territory. We may want to have one on renewable resource policy or on finance programs. If the people are available from the public service and wish to make the presentations and wish to assist us in that way, we will have them do it, in the same way that the previous government had the Deputy Minister of Finance come and make presentations to opposition caucus' on programs they were planning to present, or the Deputy Minister of Community and Transportation came and made presentations to my caucus when I was Leader of the Official Opposition on another proposal on another occasion.

On Cabinet Support

Hon. Mr. Penikett: Can I identify one thing here which I want to draw the attention of the House to because it may well change in the next budget year. Right now, the travel for ministers and their assistants is accommodated in this program field. If we want to have accountability for ministerial travel and so forth, I am not sure in the long run that that is a good idea. One of the possibilities we will look at is having ministerial travel accounted for under the departments for which the ministers are responsible, rather than lumping it all under the Executive Council Office budget.

*Cabinet Support in the amount of \$789,000 agreed to
On Office of the Commissioner*

Hon. Mr. Penikett: Can I call attention to one slight change here? You will notice that we have made a specific reference to the Commissioner's spouse here because there are occasions when the Commissioner's spouse travels with the Commissioner on behalf of the government and we felt, since we were paying for that, it should be specifically identified in the program objectives.

Mr. McLachlin: The one person-year; is that the secretary or the Commissioner?

Hon. Mr. Penikett: The Commissioner.

*Office of the Commissioner in the amount of \$100,000 agreed to
On Administration*

*Administration in the amount of \$339,000 agreed to
On Executive Council Office Secretariat*

Executive Council Office Secretariat in the amount of \$455,000 agreed to

Hon. Mr. Penikett: Mr. Chairman, since we are moving speedily along with this, I wonder if it would be possible to send a page to get Mr. Lemphers. It may be that he could answer the question that Mr. Lang asked earlier, which could not be answered. We could expedite matters if he were standing by to be able to answer that unanswered question about the person-years, and this might allow us to clear this item in time.

Some Members: Agreed.

On Internal Audit

Internal Audit in the amount of \$254,000 agreed to

On Land Claims Secretariat

*Land Claims Secretariat in the amount of \$513,000 agreed to
On Federal and Intergovernmental Relations*

Mr. Lang: The 1984-85 forecast had five and we are up to seven now. What are the intentions as far as the office in Ottawa is concerned? I recall the Leader of the Government when he was in opposition being very critical of that office and really questioning whether or not it should be there. I would like to know if it is his intention to do away with it in view of his stated position in this House prior to the election?

Hon. Mr. Penikett: Actually, it was not prior to the election. I think that most of the sound and fury on this question had to do with when it was first established. I think that the Member, to be fair, will know that I have not had a lot to say about it since. I have on two occasions, once in Ottawa and once here, had opportunity to talk with the incumbent, who is of the Associate Deputy Minister rank, and due soon to retire. As to our plans with respect to the future of that office, we are inclined to be reviewing that situation over the next little while. I think that the most humanely fair decision point for us may be at the time of the retirement of the incumbent. I think that he is due to retire in 1986 after some 32 years of service to the Government of the Yukon. That may be the most opportune time to make a decision on what we want to do with the office.

I would be interested, now that they are in Opposition, to hear from Members opposite, as to the usefulness of the office. I know that it has been used by Mr. Phelps on one occasion, it may have been used by other former Ministers, opposite there, and it would help me to know whether they think that the office played a useful role and whether it was worth the money.

Mr. McLachlan: What is the split on the seven person-years between Ottawa and Whitehorse, and how much of the \$544,000 is Ottawa?

Hon. Mr. Penikett: The Associate Deputy Minister, Mr. Murphy, and one secretary, staff the Ottawa office. The other five are here.

Mr. McLachlan: Part two of the question is how much of the \$544,000 is Ottawa?

Hon. Mr. Penikett: I do not have that detail, Mr. McLachlan, but I will get back to you with it.

Mr. Lang: I still do not have an answer to my question. We have gone from 1984-85 from five man-years and we are going to seven. Now, is that an increase in complement of staff or is there an internal transfer within government? Just exactly why the increase?

Hon. Mr. Penikett: I will have to get back to the Member on that question. I thought I would know the answer to that, but I do not. I will have to get back to Mr. Lang.

Mr. Phelps: Is the rental of the Ottawa office included in the overall figure here?

Hon. Mr. Penikett: Normally, most of our office staff is rented through Government Services. Now that you ask me, I am really not sure about this one. I will find that out too.

Mr. Phelps: Of the people who work in the office in Ottawa, I understand one shows up in the budget under Finance.

Hon. Mr. Penikett: Mr. Raghunathan is the Fiscal Relations Officer, and he is employed by the Department of Finance.

Mr. Lang: The witness is here. Perhaps he could account for the person-years question that we had earlier, and then we can stand this particular section aside until the Minister reports back on those two or three areas where he said he was going to report back.

Hon. Mr. Penikett: I believe the question that the witness may be able to assist us in arises from the errors in the organization chart on page 23, which reduces the person-years in the Executive Council Office to 51.5. The question is referring to page eight. Does that consequent reduction of three person-years change the total number in that column '1985-86 estimates' for this budget, or should it, or is there some other three person-year error which would account for the 1,552 number.

Mr. Lemphers: A reduction in ECO would be offset again by reduction in the summary table, and this should be then 1,549.

Hon. Mr. Penikett: Let me take advantage of the fact, if I can, of the presence in the gallery of the Deputy Minister of the Executive Council Office, and Mr. Lemphers. If we could, we might be able to get from them the answers to the questions that were asked a minute ago, that I was not able to answer.

If I could ask that Ms Spitzer be called, with the agreement of the House.

Chairman: Are Members agreed?

Some Members: Agreed.

Hon. Mr. Penikett: I am sorry; I forgot the questions. Perhaps we could try the ones that Mr. Lemphers may know the answers to first.

Chairman: Please refer to the Executive Council Office Secretariat.

Hon. Mr. Penikett: We are talking, I think, about federal intergovernmental relations, where there were questions arising.

Chairman: Yes, I believe on both items.

Hon. Mr. Penikett: What was the other one?

Chairman: Executive Council Office Secretariat. The question there was the number of person-years being reduced from 11 to eight.

Hon. Mr. Penikett: I think we have answered that question.

Mr. Lang: The question was why we have gone from five to seven and were those new man-years and where were they, if there were new people involved, as far as permanent establishment was concerned?

I am referring, if I may, to the federal intergovernmental relations moving from five person-years to seven person-years. Were those man-years internal transfers within the government? If so, where and who, or is it new man-years? If so, for what purpose?

Ms Spitzer: It went from eight to five to seven. I believe it accounts for the people who were seconded to the Government Leader's office. I can check and make sure on that.

Hon. Mr. Penikett: We had better get back with an accurate answer on that one.

Chairman: We will stand over federal intergovernmental relations.

Hon. Mr. Penikett: Could we just make the witnesses aware of the other questions so they can get back to us?

Mr. Phelps: My question was simply whether the office rental in Ottawa shows up here or under Government Services.

Mr. McLachlan: The other question was — intergovernmental relations, \$544,000; how much is due to Ottawa; how much is local?

On Public Affairs Bureau

On Administration

Administration in the amount of \$108,000 agreed to

On Information Services

Information Services in the amount of \$172,000 agreed to

On Photography

Mrs. Firth: What is the percentage increase in that, please? There is a 59 percent change in that.

Hon. Mr. Penikett: I am afraid I do not have this in my notes. Perhaps I could refer to the witness.

Ms Spitzer: I will take that under advisement.

Photography stood over

On Inquiry Centre

Mrs. Firth: I would like to ask what that change reflects, too,

if I could.

Hon. Mr. Penikett: Again, I think we will have to get back to the Member with that specific information.

Public Affairs Bureau stood over

On Public Inquiries

Public Inquiries in the amount of \$1.00 agreed to

On Plebiscites

Plebiscites in the amount of \$1.00 agreed to

On Bureau of Statistics

On Statistics

Mr. Phelps: There is a fairly significant increase over the course of the one year. Does any of that increase reflect the implementation of this new econo-metric system forecast?

Hon. Mr. Penikett: No. I believe that the number of persons involved here is up, but it is my understanding that we have some people in that department who are on contract. Statistics Canada may be paying part of the bill for those people. I will refer that to the Deputy Minister.

Ms Spitzer: There are three statisticians funded through the federal government's No-Gap funding in the Northern Oil and Gas Action Plan. They do not show up in the 5.5 person-years.

Mr. Lang: There is a significant change of \$100,000 for two more person-years, which are over and above the 3.5 which were shown previously. That very roughly figures out to about a \$50,000 salary. Plus, we have another increase of roughly \$30,000 on the other costs. I am just wondering why the reason for the significant increase, because it is substantial. It is not just forced increases, as far as I can make out.

Hon. Mr. Penikett: We will get the Member that information.

Chairman: So the Bureau of Statistics will be stood over as well. Are there any questions under Revenue and Recoveries?

On Revenue and Recoveries

Mr. Lang: I would like perhaps a very short explanation to the House of exactly what is taking place about the Asia Pacific Foundation Grant. If I recall correctly, I believe Mr. Hogen is the representative of the territory on that particular foundation. I am wondering if anything has transpired as far as the government is concerned about our participation down the road through this foundation?

Hon. Mr. Penikett: When I discovered this item in the Pearson budget — I think it is the first time it has been there — I was a little concerned about it. Apart from the fact that we know that Mr. Hogen is, I gather, this government's representative in it, and that various people — particularly in the Vancouver area — tell us this is a very important thing to be involved in, we do not have very much for our \$25,000, as far as we are concerned. Unless we get some information and some clearer value from it, it will not be here in the future.

Mr. McLachlan: I have a couple of comments for the other parties of the House. The Asia Pacific Foundation has a lot to do with Canada-Japanese trade sales and contracts. There are some dicey situations being negotiated at the moment out of Faro on that. I am just a little reluctant to dismiss it that quickly.

Hon. Mr. Penikett: We are not dismissing it that quickly. That is why it is still in the budget. The fact of the matter is that we recognize that there is an enormous potential in terms of the trading and other relationships with Japan, not only as a market for ore but as a source of tourists and tourist dollars, and a number of other things. There is an increasing interest, we have discovered, in Japan in big game hunting in Yukon, for example. But, as yet, we have received no reports or anything from this organization that would justify the expenditure. I hope we do. I am sure all Members would agree we would have to have the value demonstrated to us for this contribution.

Witness excused

On Education

Mr. McDonald: I must apologize to the Members for the change in order of the votes. I was labouring under the misapprehension that Education would be next. I, for that reason, had prepared myself for this vote. I could go to Community and Transportation Services, but the value of information that I might

give may not be as reliable as I would like — the kind of information we do not need.

In the 1985-86 fiscal year, we expect to spend \$36,263,000 — up 10 percent over the previous year. On the other hand, the department expects to increase its expenditure recoveries and revenue by \$1,032,000 this fiscal year. These increased offsets come largely from cost recovery on training programs funding by Canada Employment.

The major area of increase in the budget is in the Advanced Education and Manpower Branch where we have increased funding in support of human resource development and training. The budget in Advanced Education and Manpower will rise by 16 percent in this fiscal year to a total of \$8,896,000.

I am pleased to indicate that the public schools branch will be undertaking a number of new initiatives in this budget, despite the modest increase in expenditures. The student population for the territory in September of this year stood at 4,506 students, down 186 students over the year previous, but up over the 1983-84 school year. The decline is entirely attributable to the closure of Faro. Other communities have shown population increases.

On the basis of reallocation of students from various communities, including Faro, the department has deployed 313 teacher and paraprofessional person-years out of a teacher/staff complement of 318 person-years, which includes the French Language Program. Within the present teacher complement, additional teachers have been hired to provide alternate education programs in Mayo and Watson Lake. Teachers have been seconded to develop a comprehensive computer program for Yukon, and a staffing complement was increased for the Tantalus School Grade 12 expansion. Additional teachers will also be deployed at Pelly Crossing and Christ the King High School to meet the very special needs of those schools.

In the 1985-86 budget, the branch has identified an additional \$261,000 for the publication of two new textbooks on Yukon's history. These publications are being developed in cooperation with the Council for Yukon Indians. They will make Yukon children more aware of the special history of this territory and make a substantial contribution to improving the awareness of the contribution of Natives to our society.

« In 1985-86, we have modified the busing policy to make the system fairer to rural communities and to increase the safety of students. This change has necessitated an increase in expenditures for this fiscal year of \$77,000 in order to provide new buses to Bear Creek, Carcross-Tagish, Stewart Crossing and Judas Creek.

A portion of the expenditures are expected to be offset by lower transportation subsidies to parents in the newly-serviced areas.

We have also made a conscious effort to improve the cultural identity of Indians by providing to the Council for Yukon Indians an additional \$100,000 for Native Language Education. These funds will provide additional contract staff for Native Language specialists and for additional funds for travel.

In an effort to increase the ability of students to learn more about the world around them, we have provided an additional \$15,000 for student field trips in this budget. As well, an additional \$38,000 has been included to allow for increased in-house training for principals, vice-principals and teachers.

The Government of Yukon is committed to creating jobs in Yukon and the Advanced Education and Manpower Branch in Education is seen as the leading agency in the area of employment development and training. As we outlined in the Throne Speech, this government is in the final stages of negotiating a major human resource development agreement with the federal government as part of a Canada job strategy. We hope to make a formal announcement in the next few weeks.

The agreement will provide for significant federal-territorial funding to allow for joint federal-territorial initiatives in a number of program areas. These programs will secure and retain stable employment for employable workers, assist individuals in making the transition from school or homes to the labour market, provide for training and skill development in critically short trades, and establish and enhance employment opportunities within Yukon communities.

At the present time, the government is setting aside \$125,000 in the budget for implementing one element of the agreement. This element, a new Canada-Yukon Job Development Program, will go into effect within the next month to six weeks. Other initiatives under the agreement are expected to be announced later in the year.

In addition to the joint initiatives, this government has stated, and is committed to, introducing a new youth employment and training program intended to provide work and job experience for graduates of high school and post-secondary institutions, ages 18-24, who are unable to find employment. The budget provides funding of \$147,000 towards the initiation of this program.

As well, I am glad to say that the government has set aside \$62,000, in 1985-86, in order to fund a special program for long term unemployed Yukoners. This program will provide a combination of extensive basic skills and on-the-job training in order to provide improved potential for productive employment in the future.

The Department of Education continues to implement its long-range plan for the development of a comprehensive Yukon community college system. As we outlined in the Throne Speech, this plan provides for a major new central facility in Whitehorse for 1988, as all Members know, an expansion of development of community learning centres throughout the territory, increased emphasis on distance education, and a greater role for Yukoners in decision-making in post-secondary education.

« In the 1985-86 Capital Budget, the government set aside \$2.9 million for site preparation and design of the new college. At present the work is under way and expected to be completed this year. In its O&M budget the government has provided \$76,000 to open a new community learning centre in Old Crow, and we are planning for the development of further centres, including one for the Haines Junction/Burwash Landing area.

In response to the needs of the communities, the Department of Education has developed new programs in Community Administration, Legal Surveying, Social Service, Basic Electronics, Home Retrofitting, and Basic Home Repair. The budget identifies an increase of \$220,000 for development of these programs.

In order to facilitate training at the college, in courses sponsored by Canada Employment, the government has established a Emergency Needs Fund of \$250,000 which will allow the department to implement training programs now and obtain a full 100 percent cost recovery later from the federal government. The fund enhances the responsiveness of the government to the needs of its citizens, but it is only accessed if funds are 100 percent recoverable from Ottawa.

Finally, due to the increased demand by students for Student Financial Assistance, the 1985-86 allocation for assistance was increased by \$133,000. In the area of Libraries and Archives, there was a moderate increase in the budget of \$111,000 as the total goes from \$1,076,000 to \$1,187,000. The increases are due in a large part to basic volume price increases. The majority of the funds are to provide modest increases for travel to liaise with Yukon Community Library Board members to attend workshops and seminars and for improved capabilities of the Reference Library to respond to requests for library services.

Costs of the administration department have risen from \$445,000 to \$517,000, with a majority of the costs being acquired for a new director of finance and administration position which was created during the 1984-85 fiscal year following a review of the department's organizational structure. Funding for the position, however, did not come through until the 1985-86 fiscal year.

In addition, the reorganization plan led to the reallocation of two person-years to the creation of a new policy planning and evaluation branch, which is intended to provide research and planning support for the department. Again, while the person-years were approved in 1984-85, the funding to cover salaries of the staff were not included until 1985-86.

I intend to attempt to answer all of the Member for Riverdale South's questions as completely as I can; however, if I cannot, I will either hold the item, or request that a witness attend our proceedings.

Mrs. Firth: I have some questions and comments in general

debate about the whole Department of Education and Advanced Education and Manpower. There have been a lot of changes structurally within the department, not so much in the makeup of the organization of the department, but in the staffing of the department. I am talking about the fact that there is a new Deputy Minister. The Minister has an executive assistant who is a former member of this Legislature, and teacher and educational critic. I believe there has been a lot of moving around within the department so that there are a lot of new clerical and secretarial staff, as well as the Regional Superintendents. One has left, the other has moved up to assume the responsibility of Assistant Deputy Minister. The Assistant Deputy Minister moved to a school to become a principal, a French language coordinator moved to take on another position in one of the high schools, and without going on any more, I think I am making my point that there have been a lot of personnel moved around within the whole structure of Education, Advanced Education and Manpower. I would like to know how the Minister views this when it comes to continuity and policy development, and what is he doing to see that, number one, there is some continuity, that staff are not in a constant turmoil as to who they are going to be reporting to and so on. Does he perceive this to be any problem within the department right now?

Hon. Mr. McDonald: To be perfectly honest, the fact that, as a new Minister, I was faced with having a new Deputy Minister — and there were certain vacancies that the Member facing me catalogued — I realized at the outset that it would obviously be a learning experience for all of us. If we were going to provide the kind of direction the territory needed, without any unwarranted delays of direction or service, we would have to work very hard to acquire the necessary knowledge of the department.

I am pleased to see that a number of good people have moved into a number of the positions that the member referred to. That goes for the fact that there is a new Deputy Minister at the helm of that department; my Executive Assistant, too, has a good deal of expertise in the education system and, as she rightly pointed out, was a critic for education — I believe a good one — in the last Legislature.

There has been a lot of moving around in the department, as she says, relative to other departments. There is some continuity remaining in the department. As she quite rightly pointed out, the new Assistant Deputy Minister for public schools was a regional superintendent in his own right, and his abilities were obviously recognized to allow him to graduate to the position of Assistant Deputy Minister and superintendent of schools. Sorry, that is a mistake. I believe the Deputy Minister is superintendent for schools, and the Assistant Deputy Minister is simply Assistant Deputy Minister.

With respect to the regional superintendent, it is probably worth noting that, as I have made clear in the House before, we have put the one existing superintendent on a contract position for a period of one year. We are currently advertising for one regional superintendent, in area I I believe, on a contract basis for one year to allow us to give consideration to relocating at least one of those superintendent positions to a rural community. We have not determined which community yet, but we decided early on that if we were going to reallocate to another community, we would have to have people who would know and understand the terms of their job when the terms are finalized.

With respect to the Member's comments pertaining to continuity and constant turmoil and people wondering about whom they are to report to, the changes in staffing in the department do not change the positions to whom the people report, but merely to the individuals who may be filling a particular position. That reporting relationship is not changed, given the personnel changes that have taken place in the last couple of months. So, all of the changes were, I believe, unavoidable. It is nice to have continuity, especially when new governments take over. It is also nice to have new blood, so we are faced with a combination of both and I am hoping that the mix will result in good programming for the territory.

Mrs. Firth: I recognize what the Minister is saying, and I realize that the positions remain and people have positions to report

to, and that is fine if there is someone in that position. But if there is no one in that position, there is no one to report to.

I have some concern about the idea of the regional superintendent being a contract position, because that is a job which requires them to move around the territory and get to know various people, establish relationships with them, assess problems and so on. If there is no permanency to that position, and they are going to be replaced within a year, it again removes any chance of stability or continuity being created.

I want the Minister to take it seriously. I know he does, because really the kids suffer in the long run when there are political changes as well as administrative ones. I have some concern about why this all started to happen some three months after the Minister was in office. There were a few incidences which caused several resignations, three I believe, all in a row. Could the Minister clarify for us exactly what happened in that time period when we had some of the senior positions immediately wanting to move to other positions? When he does that, could he also tell me if the French Language Coordinator position has been advertised, and if it has not, when it will be advertised?

Hon. Mr. McDonald: The inference of the Member's question obviously might lead one to believe that something that I had done had created the vacancies, which she referred to. I can assure her that, in my mind at least, that is not the case. There were, as she quickly pointed out, a number of vacancies in the department. There are certainly right now, one being the French Language Coordinator, one being the one regional superintendent of schools.

I think I can account for the reason for both those positions not being filled at this point. It is desirable to have local people in the territory, not on vacation, but in the territory, when we hired that particular position. It was a concern of mine, when we were hiring for the first position to replace Mr. Sharp, who had just left for a year sabbatical, that people who conceivably would be applying for that job would not be in the territory. Many teachers and principals leave the territory and it was our desire to hire locally.

At the same time, that left us with only one out of three senior people in the Department of Education at the time of transition. We felt that it was absolutely critical that we get somebody in as soon as possible to fill that position. For that reason we put out a competition, and as we might expect, the most qualified person, the person who fit the job, was a person from central British Columbia. We were, in my opinion, fortunate to get someone of that calibre and that experience, to fill the job on such short notice.

⁴⁹ The intention was, of course, that this person would be in their place for a one year period so that, one, we could plan for the settlement of our regional superintendent in a rural area and, two, so that we could encourage local people to bid on the job.

With respect to the vacant superintendent's position, since the term was over we have put a rush on the filling of that particular vacancy. I cannot give you the exact status of it at this time, as I do not have that information at my fingertips. When I inquired most recently, they were about to close, as I understand, and that position is to be a contract again for a period of one year, so that we can review the resettlement of our superintendent in a rural area and decide what will account for the responsibilities of both superintendent positions at that time.

With respect to the remarks on the insecurity of contract employees filling those positions, I can tell her that I share those concerns, — and it certainly is a concern — but hopefully there will be continuity in the department; certainly continuity with respect to Minister, Deputy Minister and Assistant Deputy Minister to provide the kind of direction that the school system will need so that, should we fill those positions with different people — which is a possibility; they may be the same people — we will still be able to provide the continuity necessary to keep the system intact.

The Member made a comment about the conditions which arose which might explain the resignations and transfers of, I believe, a French language coordinator and the Assistant Deputy Minister for public schools and one other — maybe she can refresh my memory; I cannot think of it off the top of my head, or it does not leap to mind.

I believe I can account for those two resignations in terms of

establishing one particular cause or a set of circumstances which might lead to both resignations and transfers. They certainly felt strongly enough about wanting to remain in Yukon that they transferred to another position in the territory.

I was informed privately that the person in the Assistant Deputy Minister position wanted to take a teaching position as they had been out of the teaching fraternity for some time and wanted to get back into it hands-on. I was not informed of the reasons for the resignation of the other person. But then, again, I do not necessarily have to be informed of the resignations of all senior people, or anyone. My job, I believe, is to ensure that there is sufficient direction and funding for the Deputy Minister to carry out his responsibilities.

I do not know, as I said before, at what stage the filling of the French language coordinator is right now, but I could certainly find out for the Member. That is certainly easy enough to do. I have not been involved directly for a few days at least, a couple of weeks, with respect to that particular vacancy.

Mrs. Firth: I recognize the position the Minister is in, and by my line of questioning there will no doubt be differences that are brought forward as to the kind of Minister of Education I was and the style I chose and the style the Minister is choosing. I find it quite sad, really, for those two positions that the Minister has kind of a technical attitude towards the personnel, and not to be putting myself in a position of defending the personnel who work within the department, however, as the Minister is thinking that all he is going to be concerned with is giving funding and direction to his Deputy Minister, as a Minister, I would have done whatever I could to try to maintain the Assistant Deputy Minister and the French Language Coordinator in their positions. Because of that continuity we have a new Deputy Minister, and that, as far as I am concerned, personally, was an unwise decision. It is reserved for the rights of the Government Leader to assign whomever he wishes to assign as Deputy Minister, and I have no criticism of that.

Nor do I have any criticism of any of the individuals who we are talking about, or their performance and so on. However, I will direct my comments to the Minister and perhaps caution him that it has been in all of Yukoners best interests, and particularly the children, that if we have good staff here, that we do everything we can to keep them in those positions. I see now that we are going to have to advertise for a French Language Coordinator. As the Minister himself has said, there is some potential that we may not get a person locally, and we may have to go outside. We were fortunate enough to get an Assistant Deputy Minister who had been working within the department, so there is some continuity. I would like the Minister to take more than a technical, fiscal outlook when it comes to his staff, and when he does get good people working within the department, to try to keep those people who have established relationships with the school committees, with the principals, and the parents.

Also, I think I would like to pursue some more specific questions when we come to the line items. I would like to get some idea from the Minister about his general attitude and philosophy about education and where he hopes to take the Yukon in the next six months or so. He is going to be working on a new operating and maintenance budget that will reflect his philosophy and his attitude. My intention would be to see if it is consistent with mine, if it is consistent with other Yukoners, other parents, other teachers, other school committee members, and so on. Could he briefly give me some idea of where he hopes to take Yukoners, educationally.

Hon. Mr. McDonald: I do not know if I can give her an answer briefly, so I probably will not even try. I will probably attempt to defer a fuller answer with respect to my philosophy of education, so to speak, and where this government would like to see the territory go in the next six months, and over the course of the years ahead of us. Before I do that, I would like to just respond briefly to some of the statements that the Member made with respect to a mechanical view — the Minister's mechanical view of his staff — with perhaps a suggestion that it might not be carrying in some way, or that the Minister might not care about the morale of his staff, or some such assertion, which I can assure her is not the case.

⁵¹ With respect to having developed a working relationship with the various individuals involved, the Member will have to understand that when these resignations took place we had been in office for a very short time. At the time the decisions were made to have these particular people relocated elsewhere, there had not been time for me to develop any close understanding of the character, the desires, the aspirations, or the hopes of the various senior department personnel.

Quite clearly, if the department is to operate effectively, and efficiently, it is critical that morale be kept at a high level. It is critical that the people who work for the Department of Education or the Department of Community and Transportation Services, or any department in this government, feel that the kind of work they are doing is useful work; and they would require the Minister to give them the kind of support necessary to ensure that their morale is maintained. Certainly it is my desire to keep the morale of the Department of Education as high as possible. It is also a desire, of course, as I said before, that we maintain good staff. My understanding of the abilities and the various capabilities of certain staff members has become more refined in the last couple of months, as it will in the course of the coming months. I am sure their opinion of my performance will become more refined over the course of the months to come. I hope that we can, given our relative various shortcomings, all work together to maintain a good educational system.

With respect to the Member's comments regarding the choice of the Deputy Minister, she could probably address those at some future time when the Government Leader is present, and perhaps if he would like to respond to that particular assertion, he could do so. I choose not to, as I do not claim any knowledge of his private thoughts.

With respect to the French Language Coordinator, I warn the Member and all Members, including all people who feel strongly about local hire, that it will be very difficult to find someone in the territory who has the ability, expertise and understanding of French. There is a good probability that that person will have to be found elsewhere, probably in the east. As I understand it, finding people with the kind of expertise and the credentials necessary to fill the position, that even the provinces in western Canada are having some difficulty in attracting good people. So, if we plan to fill the position now, without having to train somebody into the position, quite clearly we are going to have to consider at least the option of outside hire.

With respect to the philosophy of education, I do not want to pontificate at all. Let me just say that I realize that the development of a philosophy of education has been ongoing for some years now. I recall actually having been at a school committee meeting in Elsa some years back when I believe the Assistant Deputy Minister of public schools at the time had circulated a philosophy of education which was practically incomprehensible to everyone present.

⁵² It is difficult not only to design a philosophy of education; it is also difficult to design one which is comprehensible by most of the people in the territory. I think there are a number of components to a philosophy of education which are necessary for the territory, the various manifestations of which would come through the government's view of busing policy, the government's view of distance education, the government's view of student/teacher ratio, the government's view of programs offered, and that sort of thing.

I am sure, in a sense, the Member will understand more clearly the way we want to implement our philosophy of education in the public school system and education generally through the kinds of programs we design for children in the territory and for all people in the territory. Certainly, one element of philosophy as I see it is the concept of lifelong learning, so we are not strictly speaking of children, we are also speaking of adults and everyone who wishes to upgrade their education.

I would like to say, too, that the programs as designed will certainly make clearer our position, but obviously the Member might want to know how we feel about education so that she can test our desires with our actions. Certainly, it will be very necessary for us to design objectives prior to implementing programs so that you can test your programs to your objectives, which is generally

the way things are done. I note that, for years, the department has operated, at least at the administrative level, without a core philosophy to wrap around its programs. That has been a concern to administrators and politicians alike. They would like to have some focus so that you can test expenditures to your goals, to your philosophy, as a point of philosophy.

There are a number of things I could state with respect to that philosophy and that we would like to maintain quality education in the territory. We want children passing through the public school system to be competitive in national and international environments, and we would like those same people to be in positions where they could pursue education past the secondary school level. We recognize that the limited resources we are faced with with respect to financing the Department of Education means that we have to make our choices with respect to rural program delivery and we have to make the best use of those resources where we have them. Now, as the Member knows already from her experience with the Department of Education, the department spends — I cannot recall exactly what the expenditure is per student but I have it someplace in my briefing books — almost twice in rural areas per student than it spends in urban areas, largely due to the fact that Whitehorse is obviously more populated and it is easier to provide the same service for lesser costs.

It is our intention to maintain many of the programs which the previous government had initiated. Some of them are good, some are being revised; it is a large department. As I mentioned in my opening statement, I am only detailing the minor changes that I have identified in the four months that we have been in office. As possible changes within budgetary expenditures, the changes that we referred to were sometimes enhancements of existing programs. We did not invent busing in the territory but, we have improved on it. We are taking a different route, and a more different course in the future. Over the course of this year, we will be studying the alternatives available for us.

It is probably sufficient to say that we are interested in the concept of life-long learning. It is not sufficient to say that we are interested in teaching school age children in the primary and secondary levels, but we are interested in employment and development, and job creation, the same sort of things that you would see in the departmental objectives. Given that the subject is broad, that some people make a career of defining a philosophy of education, I would certainly like to entertain more specific questions in the given area, which any other Member may want to put, which might expedite things.

Mr. Lang: I want to go back to a comment that was made. How many people within the department are going to be relocated outside of Whitehorse? The exact number?

Hon. Mr. McDonald: I do not believe I gave the Member that suggestion nor do I believe that I have that information at my fingertips. As far as I know, we have not relocated anyone from Whitehorse to a rural area, though I may be mistaken. There may have been one or two teaching positions which may have been moved from Whitehorse to another community, but with respect to the Regional Superintendency, we are still designing the various responsibilities. That is the reason why we are still maintaining the positions, and the duties of those people in those positions, and we are reviewing the possibility of moving at least one to a rural community.

Mr. Lang: When would that decision be made

Hon. Mr. McDonald: It will definitely be made by the end of this school year, for implementation in the next school year.

Mr. Lang: Could there conceivably be more than one position within the Department of Education, as far as administration, moved out of Whitehorse to one of the other rural communities? You have one for sure, there could be others as well that are under active consideration?

Hon. Mr. McDonald: I would not say that relocation is under active consideration on other positions. It might be under passive considerations, we are open to suggestions, and if you have a suggestion we will be prepared to review it because we would like to see some decentralization of services, if possible, without endangering the efficiency of the department. If any Member has

suggestions, we will be prepared to consider it and given the limitation of resources, we can review the possibility of others going to other communities. Hopefully, we can do it so that it does not disrupt the public school system in any given school year.

Mr. Lang: I would like to understand, if I could, with the disruptions that we have had with the people leaving the department this past year, and now we are hiring administrative people on a contractual basis, how we are going to have stability within the administration in the ensuing three to four to five years. It is safe to say that the administrative direction from the department is going to be in fits and starts as people change jobs. That is exactly what happens. People will be getting to know where their offices are, what they do, and how they are supposed to conduct themselves.

I am just cautioning the Member opposite. I am getting some complaints from people in my riding who are very concerned about what is happening within the top echelons of the administration with the major changes that are taking place. It is causing uncertainty among the teaching staff and the administration within the schools, as to what philosophical vent that the department is going to take, and exactly what is going to take place.

I would have thought that the government would have been prepared to put some positions forward. They had done quite an extensive consultation process through their task force when they were in opposition. Now they are going to another task force and we still have not had any decisions taken. The task force I am referring to is the one that the government undertook when they were in opposition, approximately a year ago. It had quite an extensive report, if I recall correctly, with seventy-odd recommendations. I just want to say to the Minister I think that this holding off of making any personnel decisions is going to cause some very bad feelings among the educators within the territory.

Hon. Mr. McDonald: The education task force report, for the Member's information, had absolutely nothing to say about the staffing of senior positions in the department. It was exclusively dealing with program implementation within the territory. Some of the items in the task force report show up already in this budget, with respect to busing for example. Some of them, I would hope, will show up, items which perhaps had to do with counselling services, or program articulation, various other things, in a budget which the government had more control over.

With respect to the contractual positions, I have already stated to the Member for Riverdale South that it is unfortunate that there were vacancies in the department. I did not ask that the vacancies take place. I did not direct that the vacancies should take place. The vacancies, nevertheless, did take place, and we have to react as well as possible to the kind of void that was created. Now, I do not intend to promote it beyond what is reasonable, any uncertainty within the department with respect to staffing. I mentioned what we were prepared to do with respect to Regional Superintendents. That is a decision the effects of which, in terms of changing personnel, will be felt a year from now. Surely to goodness the education system in the territory can withstand the staffing changes of two superintendents. Perhaps it will be the same people, but with different job guidelines, at this time next year. They can possibly live with that kind of staffing change in a given year.

With respect to changes of other personnel to rural areas, given the fact that we have already indicated to the people in the territory that these two Regional Superintendents will be phased in over a period of a year, shows that we are prepared to provide a stable, soundly researched change in staffing of this particular portion of the department. No surprises to anyone. We are giving ourselves a full year so that the senior members of that department, including myself, the Deputy Minister and the Assistant Deputy Minister will have had a full year at the helm of that particular department. So when we talked about relocating a superintendent to another physical location in the territory, then surely the result will be that the territory will feel that we have done something that is not too radical, too sudden, too quick.

So, I would not mind pursuing this this evening, but I think it is a sound decision. I think if we are ever going to consider the relocation or the decentralization in terms of personnel rather than authority, — perhaps we can get on to authority later on — we

should at least allow ourselves the fact that the delay of one year for one position is not too unreasonable. I think the decision to consider relocating the superintendent to a rural community makes a heck of a lot of sense. I am prepared to debate that with anybody who might be opposed to it, but I think we are doing it in a way which is reasonable, which is justified, which does not create havoc in the Department of Education; it is nothing but a good way of going about it. Changing job descriptions over the course of a year certainly does not create havoc in the department. This has nothing to do with poor direction. It is a solid direction to this department.

Chairman: It being 5:30, we will recess to 7:30.

Recess

Chairman: I will call Committee of the Whole back to order. We will proceed with general debate on Education.

Mrs. Firth: Maybe I will continue on, since we were talking about staffing in general debate, about the French Language Co-ordinator or, if the Minister would prefer, we can wait until we get to that section of the budget.

Hon. Mr. McDonald: I would prefer, actually, if it is all the same to the Member, to continue with that item at the particular line item in the budget, as I would have more complete staffing information at my fingertips. I could fumble through the papers now. It might make sense later on.

On Department Administration

Hon. Mr. McDonald: The items here, general administration and accounting, show a 16 percent increase over the 1984-85 forecast. Now, as I understand it, and I might be wrong, the forecast means the actual unaudited figures for the previous year. The program objectives are stated, and on page 82, this is the branch which provides administrative services to the whole department. If the Member has specific questions, I will be happy to answer them.

Mrs. Firth: There is an extra half a person-year identified from the previous budget for administration. Could the Minister just tell me what that is for, please?

Hon. Mr. McDonald: The Member mentioned that there is an extra half person here. That does not show up in my book. Perhaps the Member will indicate what she is specifically referring to. I find 12 person-years on page 82.

Mrs. Firth: That is correct, but I have the 1984-85 budget, which shows under administration 11.5 person-years, for \$560,000. There is a difference from this year's from 12 for \$517,000. There is an extra half a person-year, assuming that it is in clerical staff. Perhaps the Minister can reply after he checks.

Hon. Mr. McDonald: The increase from 1983-84 to 1984-85 was due to the creation of two positions: director of finance administration and a receptionist. My records show no increase from 1984-85 to 1985-86, and there is none planned.

Chairman: Mrs. Firth, can you tell us where you are getting your information?

Mrs. Firth: I have in this hand the 1985-86 budget organization chart showing administration has 12 person-years. In the 1984-85 budget, there were 11.5 person-years. It is not major, and I do not want to hold up debate.

Hon. Mr. McDonald: The figures I have are the changes from the actual figures for last year and the budgeted ones for this year. I do not have comparative figures between what was planned for last year and what is planned for this year.

Mrs. Firth: Perhaps, the Minister could reflect what the 17 percent change is in general administration.

Hon. Mr. McDonald: The 17 percent change, or a \$51,000 expenditure, was an increase in personnel cost of \$47,000, an increase of \$6,000 in transportation and communication travel, for people in the department including telephone service charges et cetera., and a drop in office materials and supplies. The \$47,000 increase is due to a projected two additional positions added in 1984-85, and the director of finance administration position, which was not filled during that period.

General Administration in the amount of \$356,000 agreed to On Accounting

Accounting in the amount of \$161,000 agreed to Department Administration in the amount \$517,000 agreed to On Policy Planning and Evaluation

Mrs. Firth: Is this a new position? I was not familiar with this as the Minister of Education?

Hon. Mr. McDonald: Yes, the Member will know that two individuals now make up this particular branch activity, and they are to provide the Policy and Planning Services to the various program branches. The previous government, perhaps during the time that the Member was Minister of Education, hired a consultant to do an analysis of the program branch and the results of that study indicate that it would be wise to establish this particular branch to provide the policy and planning services to the entire department. There are two people and they cost the government \$97,000.

Mrs. Firth: Could the Minister tell me who these two individuals report directly to?

Hon. Mr. McDonald: These two individuals, I believe, report directly to the Deputy Minister, and the Deputy Minister directs them on particular projects in co-operation and guidance from the program directors for public schools and advanced education.

On Administration

Administration in the amount of \$97,000 agreed to Policy, Planning and Evaluation in the amount of \$97,000 agreed to

On Public Schools

Mrs. Firth: Perhaps the Minister could reflect for me the major changes, percentage-wise, and tell me what they are, and I would dispense with individual questions.

Hon. Mr. McDonald: This is a very large subdepartment, as the Member can see. Even a one percent change can mean the difference of a large amount of money. For example, as you travel down the line items there, you can see that there are some major changes. Curriculum development is 131 percent, In-service training is 66 percent. For the rest of the major changes, Branch Administration shows a major reduction of 25 percent. Quite clearly, the changes that have been shown in my opening remarks show up only very slightly in this program branch. I would be happy to go through the details of each of these figures if the Member wishes, and hopefully provide her with the kind of information that might make sense of some of these figures.

I know that there have been changes that took me some time myself to try to come to terms with, given the fact that person-years had been changed over from previous years, from 1984-85, now 1985-86, of which half the year is gone. If the Members would have patience, I could go through a number of these items, and perhaps explain why there were major jumps.

Mrs. Firth: I am not asking for a great deal of information. I just wanted the Minister to perhaps pick out any of the larger changes and tell me, basically, what happened. I do not need a lot of explanation, just one or two things: whether there is some new direction, or an increase or decrease for some specific reason.

If he does not have anything that stands out, that is a variation from the previous budget or that show any evidence of a different direction being taken, then I do not need to have him bring it to my attention.

Hon. Mr. McDonald: As I mentioned in my opening remarks, there were a number of changes with respect to school busing. It is not a large amount of money, but it is indicative of policy change, which has been followed throughout the territory.

There was, as well, a variety of initiatives such as the Indian Education Task Force, which is not reflected as being a major expenditure, which will, I hope, provide significant policy alterations.

There were no fantastically different changes in dollars, apart from curriculum development, the details of which I could provide to the Member. Curriculum development shows an increase of two person-years. Two teachers were seconded for the development and implementation of the educational computing program, about which the Member may know. There was a significant increase for books for the new curriculum of \$261,000.

As the Member can see, the change in the overall funding arrangement from the 1984-85 forecast to the 1985-86 is not that

significant. Perhaps she, or others, might think that some of the policy changes do indicate a difference, which she may want to discuss, and I would be prepared to discuss them.

Mrs. Firth: Am I to understand that the Gifted Program and the Alternate Program are no longer pilot projects? Are they now established programs?

Hon. Mr. McDonald: The programs have been established in the territory, as the Member knows, but they are still new programs for certain communities. I realize that when the program are placed in communities like Watson Lake and Mayo, which have been provided the benefits of the Alternate Program, for example — which, incidentally, people like to call Equivalency Education — they are considered, at least in those communities, as being brand new entities. As far as their placement in the territory is concerned, as she knows, they have been piloted in a sense, and are therefore in the stream. Much of the administrative work has been done in the department for both programs, and their implementation in various communities are considered pilots for various communities, but not for the territory.

Mr. Lang: I listened to the Speech from the Throne and we talked about the new busing policy. I have a couple of questions for the Minister. First of all, could he tell me the size of the bus that is in place for the students of Stewart Crossing, and how many kids are actually being bused?

Hon. Mr. McDonald: I believe the bus is almost of a van size. I have seen it myself. It could not be for more than 16 or so. I might have that information with me. I think we are looking at six to eight students travelling on the bus. As of September 12, there were five students on the bus. It is a 22 passenger bus, and the information is that this particular type of bus seats 14 comfortably.

Mr. Lang: Does the same go for Burwash, and if it is, could you give me a breakdown of prices at Stewart Crossing, as well as at Burwash, depending on the number of students in Burwash that you are busing to Destruction Bay?

Hon. Mr. McDonald: This is an interesting detail. The bus at Burwash is a bus which is transporting, I believe, four students. How big a bus it is specifically, I do not know. I would presume that Diversified Transportation, which was the successful bidder on that particular bus route, would put on the smallest bus they could get away with, given the costs of providing the service. I do not have the specific information, though I might be able to find it in one of these big books I have got here. I can tell him what the cost of service is at Stewart Crossing, if you would like. The bus service at Stewart Crossing is \$24,000 for this fiscal year, for 10 months of operation. It is estimated that it will be \$34,000 for each year thereafter.

Mr. Lang: Do I take it that the policy is that if a person lives outside of a community and there are four or five children that the government will provide a bus?

Hon. Mr. McDonald: The busing policy has changed to the extent that students who live in an established Yukon community will be bused to school, if that community is within commuting distance of the school that they are being bused to.

Mr. Lang: Could you give me a definition of an established community?

Hon. Mr. McDonald: There is a list of communities which are considered communities for Community Services. They include all the incorporated communities. They include places such as Keno, Elsa, the Member will be pleased to hear, Pelly Crossing. It includes the highway camps around the territory. I can give the Member a complete list of the communities which we consider 'established' communities, if he likes. I do not have them at my fingertips right now.

Mr. Lang: I am just trying to determine what the policy is, or if there is a policy. What I would like to know, for example, does Canyon Creek on the way to Haines Junction apply as an established community?

Hon. Mr. McDonald: I am not familiar with that particular place. If there are a sufficient number of students, whether they are a community or not, there will be a bus. You are permitted busing service if you are travelling from what is considered an established Yukon community.

Mr. Lang: Is a sufficient number of students five, or is it two, is it one? I have heard four, five, and then I hear 12 and then I hear ministerial discretion. If it is 12, then why do we have buses for other areas where there are four or five students? I do not quite understand the various answers I am getting to my questions.

Hon. Mr. McDonald: It is not that the answers are confusing, it is that the Member is confusing the answers. If you live in an established Yukon community, you are entitled to busing. If there are twelve students in the given area, such as Judas Creek for example, then you could be entitled to busing as well. Given the fact that in areas such as Judas Creek, and such as Stewart Crossing, dependent upon the availability of dollars in any given year, and the busing contract is not as clearly laid out in the sense, you have various safety measures to support the service. In these cases, as with the old policy, or cases such as the one at Stewart Crossing for example, people have to recognize that there is no requirement for back-up service, an extra bus, to support the transportation of the students, and that there will be only one, which will keep the cost of the contract down as much as possible.

Mr. Lang: Obviously, whoever can talk to the Minister on a given day is going to get a bus, if they have an extra large family, and as long as that is the policy of the government, that is fine.

I guess the point I would like to move onto, and the Minister touched on it, is the question of liability, the requirement for a backup of another vehicle being made available if a bus is not functioning. Just exactly what is the liability of the government if a child is taken by frostbite or some misfortune or tragedy because a bus does not arrive at a certain time, or day, when it is supposed to arrive. My understanding is that there is liability on the government side, and am I to take it that the government is assuming that liability and will pay the costs if such a tragedy occurs?

Hon. Mr. McDonald: There remains a provision in the busing contract, such that busing contractors must provide a minimum insurance for the students while they are carrying those students on a particular bus run. If the contractors do not come up with the necessary insurance, then they are not permitted to bid on the contract. They can bid, but they will not be successful. We ensure, no matter what the size of the bus, no matter what the route, that they are always insured to the maximum level. I believe it is \$10 million. That is true of all bus routes in the territory, and we have no intention of slackening requirements such that the safety of a certain level of service is jeopardized in any way. That would include provision of insurance for the bus runs.

Mr. Lang: Going from that situation to the situation now experienced in Whitehorse, it is quoted in the newspaper that the government added a twelfth bus to Whitehorse. I would like the Minister to clarify that statement for the House. Is that correct?

Hon. Mr. McDonald: My information is that another bus was added. The difference between 1982, when the bus was taken off, and 1985 when the bus was put back on, is that the need for busing has increased, given the fact that students now travel from Porter Creek to the French Immersion in Whitehorse Elementary, and there were a variety of programs around the city, which are offered in one school but for which parents are allowed to have their students bused — the Catholic schools, for example.

Even in a small jurisdiction such as Whitehorse, the fact that these programs are located in certain schools, and given that the city is rather spread out for the small population, a significant amount of busing is required. Allowing for the two mile limit policy, to maintain its effectiveness for students above Grade 3, and given the fact that the environs of Whitehorse are slowly being populated through the provision of certain subdivisions, has compounded a problem that existed in 1982. As I understand it, the busing policy has been to bus these students. Given the very nature of the situation, however, it is quite common in the early stages of the determination to run certain buses at certain times, that at the beginning of the year, scheduling problems do occur, and so buses run half empty. The purpose of the exercise is to schedule buses to maximum benefit so that you do not have, at any given time, buses which operate at half capacity. There have been scheduling problems in Whitehorse, even with the addition of a bus, and these problems exist every year. I hope they will be rectified when the

busing schedules are fine-tuned.

Mr. Lang: My information is that there has been no addition of a bus. The bus that you are referring to is the bus that services Judas Creek. I would ask the Minister to check that, and if it is, then perhaps correct the record, because that is my information.

Secondly, I would like to ask the Minister: is it not safe to say that you have taken the present complement of busing that was provided last year, and what I think is referred to, in bureaucratese, double-tracking? In other words, the kids who are outside of Whitehorse are being picked up at quarter to seven in the morning, or twenty to seven in the morning, as opposed to say ten past seven, so there is really no new additions to the bus complement, it is a reorganization and an imposition upon the constituents of Hootalinqua to try to fix the situation you have just outlined. Is that a safe analysis of that situation?

Hon. Mr. McDonald: My understanding is that there is a new bus in the Whitehorse area. It may service Judas Creek. It may service other parts of Whitehorse as well, as it comes into town.

With respect to the double runs that the buses do, that is an experiment that has been tried, and is being tried right now. I have not had an update in the last day or so with respect to that particular option, but the idea of double running buses is one that deserves some investigation. I realize that it gets some students up very early in the morning. I know that, in some areas of Yukon, where there are no double runs, students get up very, very early in the morning, such as a place in my own constituency, Keno. They do get up as early as seven in the morning in order to travel by bus.

I realize that there are some hardships. As I have said before, we are going to be reviewing the busing policy over the course of this winter; we will be reviewing a number of things, and first of all, the bus runs. The needs of the students in Whitehorse, given the fact that it is obviously difficult to determine those needs until the children actually show up for school on the first day, will be reviewed.

We will also review the busing subsidy. We will review the contracts themselves, to determine whether or not it makes sense to reopen the contract to allow local contractors around the territory to bid on the busing services that are provided in each community. We will be reviewing each of those three things. Hopefully, with some sensitivity, we will provide a better service for next school year.

Mr. Lang: The Minister did not answer my question. Would he check to see whether or not it was actually an addition to the complement of school buses that are providing service in the Whitehorse or surrounding areas? Is it an addition or is it strictly a reorganization of the fleet they had last year, with the same number of buses? Would he check that, because my information is contrary to his. I am not about to challenge him. I am asking him to double check his records to see whether he is right, or if I am right.

Hon. Mr. McDonald: I will double check that.

Mr. Lang: So the policy of government is that if kids have to get up at 6:30 or 6:45 to catch the bus, that is fine. That is the policy of the government the way it has been outlined to me.

Secondly, a point that is made here — and you are quoted — previously, students in grade four and up who live inside the 3.2 kilometre cut-off would not receive school bus services. Others under that age would, which was the previous policy in 1982. Was that a statement that was made?

Hon. Mr. McDonald: As to saying that it is a policy of this government that it is perfectly all right that students get up at six-thirty in the morning to travel on a bus — this government would like to provide busing service to as many students in the territory as possible, within reasonable limits, in as sensitive a way as possible. Given that it has been difficult, over a short summer, to grapple with many of the problems we inherited, it has been our desire to rectify situations we where we can.

Over the winter we will bring proposed solutions back to the Legislature for Members to review. There will be an O&M budget for the following year, and I hope to be able to have a completed busing study done by that time, with recommendations for presentation in this House. That is all we have promised. It is not our policy to be insensitive. We have had to operate within specific limits, governed by a busing policy already in place, busing

schedules were more or less in place, and funding limitations were in place. We did not have the necessary information needed to make major changes in the busing policy beyond what has been done already.

Mr. Lang: Just for the record, that is not totally an accurate statement about the records of the government. You sound like you just came on the scene like Sir Galahad, and it was the first time the problem was evident. It is not correct. A lot of work had been done in terms of looking at the inequities of the school busing policy. The Minister knows there is documentation on government files.

There are a couple of points that should be raised here. The Minister should be aware of the nine-day fortnight when the financial situation was grim. The reality was that there was an extra bus. It was not that students of grade three and under were the only ones picked up. That bus provided a service throughout that area of Whitehorse. The government tried to adhere to a policy about picking up children. I can subscribe to the Minister's comments about trying to arrange a busing policy that would accommodate as many students as possible. What I am trying to determine is: what is the policy? All I hear from the Minister is his discretionary power. There appears to be no policy.

As for picking up children as far away as Fox Lake, a recommendation came to the government of the day, and we turned it down because we did not feel that kids should have to be out on the middle of the highway in minus 60 degree weather waiting for a bus at 6:30 in the morning.

¹² Another solution that was being worked at within the City of Whitehorse was to work with the Transit Commission. A number of options were explored and firm decisions were not taken, because of the situation at the time. It seems to me, the tragedy is the lack of a school busing policy per se, and it seems that if a guy is a friend of the Minister he gets a bus and if he is not a friend, he does not. Now is that the way this government is going to be run?

I wish the Government Leader were here. Perhaps Mr. Porter, in your capacity as Deputy Minister, could answer that. Is the policy of this government similar to other grant programs and whatever, you have to be a friend of the Government Leader or friend of the Minister of Education to get something out of this government? If it is, there is a sad lack of policy. Maybe, the policy is called 'political oppression'. Your excuse is that you are going to come before the Legislature with the policy. You know as well as I do that it is a *fait accompli*. *It is finished. That is the policy and if your side, plus your colleagues over here, do not vote for that budget, then there is an election. I think that we have to be very careful here. It is becoming more and more evident in this House, depending on what issue we are talking about, it is not a question of a policy, it is a question of a friend of a friend. I object to it.*

I can say this, and you can go on the record and you can look back through *Hansard*, overall, there were policies in place with which to apply the criteria and various other things. I think that we are setting a very dangerous, treacherous course as far as the government is concerned, pitting Yukoner against Yukoner as far as government programs are concerned.

Hon. Mr. McDonald: The Minister suggests that there is no policy with respect to busing students in this territory. With respect to busing students in the territory, there remains the policy of 3.2 kilometres for students grades four and up. That is the policy, and that remains the policy. Now, I do not want to get upset here, but, I remember standing in this Legislature for the last three years complaining session after session about the busing policy of this government, to successive Ministers of Education. I would have loved to be over in the Opposition ranks of this House while the Member for Porter Creek East was the Minister of Education, because I would have loved to have pinned that Minister down at that time regarding their busing policy or lack of it.

I remember, for three years, talking about the provision of busing services from Stewart Crossing to Mayo, and at that time the numbers of students were 14 to 16 students, when the policy changed, and the bus was cut off. Now, we are talking of, unfortunately, about six to eight because people left that community and because of the insensitive policy of the government of the day, that community had to suffer. It suffered significantly, and it

certainly was a community of some note prior to the policy coming into effect.

Then, in that same summer of 1982, I remember going to a public meeting at F.H. Collins, where 100 parents, plus, showed up, where they were complaining about the insensitivity of the change of policy of the government. In the short time that we have been here, we have tried to redress some of those wrongs. We have not redressed them all. We have been a good deal more sensitive than the previous government with respect to busing, and I find it absolutely outrageous in the sense that the Member for Porter Creek East stands up and rails against this government's activities with respect to busing.

⁹³ There is a clear policy. There is still a 3.2 kilometres for Grades 4 and up. With respect to busing outside Whitehorse, I can give the Member a list of communities for which it applies, and Burwash Landing is on that list. Burwash Landing got a bus. For all other areas, where they are spread out — Judas Creek, for example — whether they are spread out or whether there is not an identifiable community, then certainly, the 12 and 25 rule exists. Certainly, it is at ministerial discretion, as it was in the previous government: 12 to 25, ministerial discretion. That has not changed. It is not whose friend you are. That has nothing to do with it at all. That is an assertion made by the Member for Porter Creek East, and it cannot be substantiated.

The Member made mention that we think, as a government, that it is perfectly legitimate to have students waiting for a bus at 60 below at 6:30 in the morning. We feel, at the political level, that it is worth investigating the issue of double runs for buses. It is not our intention to permit, if at all possible, students waiting for a bus for a prolonged period of time, whether it is 6:30 in the morning or 8:30 in the morning. We do not want them standing outside waiting for a bus. Whether it is 60 below or it is 30 below, it is still a dangerous thing to do.

I know the Member for Hootalinqua sent me a letter from a constituent who complained about the problems with respect to scheduling. That is something that I am taking up with department officials. In any case, whether it is 6:30 in the morning, whether it is 8:30 in the morning, whether it is 60 below or 30 below, we would like to get bus scheduling down to an art where there does not have to be any waiting of any length of time which would endanger in any way the safety of those children who must wait for a school bus. That is something we have taken as a policy issue.

If a student of a double run has to get up at 6:30 in the morning and wait at 60 below, or a student on a single run has to get up at 7:30 in the morning and wait at 60 below, and the bus does not show up, it is equally dangerous. The real issue is when they get up in the morning. What I suggested with respect to 6:30 in the morning, it is not the best time to get students up, but then the reality of Yukon life sometimes means that you do have to get up if you have to travel so many miles to get to school. In Keno, you have to travel 40 miles to get to school in the morning. That is the reality. We are not moving the school in Mayo closer to Keno so that the distance for busing is any shorter. It is a fact of life in rural communities, and they accept that fact of life. What they do not like is poor scheduling, which I admit there has been some mixups over. Poor scheduling would require that children stand outside at the end of a long driveway waiting for the bus to come at 40 below or 30 below or whatever. Those types of things the Members can bring to my attention, and the department will act as quickly as possible, because we do not want that kind of scheduling difficulty when the weather gets very, very cold.

⁹⁴ **Mr. Phelps:** What I would like to know is, having heard the Minister for the past little while on the subject of busing and with regard to a letter that is evidence of a concern fairly widespread in the area of Hootalinqua, on the Mayo Road, is there hope that the scheduling may change over the course of the next few weeks or a month, or are we waiting for the task force to see whether or not the actual routes and timing is changed?

Hon. Mr. McDonald: In response to that cynical flippant statement about the task force determining whether or not this government is going to permit students to wait outside in cold weather while our scheduling difficulties are rectified, I can tell the

Member for Hootalinqua that it is not the intention of this government to permit the scheduling problems to continue if there is any way in the world we can rectify them, and we will. We do not want students to stand outside waiting in 60 below or 30 below or 20 below for a school bus that may come or may not come. We do not want that sort of thing to happen.

The letter which the Member for Hootalinqua referred to states that a verbal message was passed from the bus driver to a student to inform the parents that a scheduling change had been made. I have not checked that out to determine whether or not that was the method of communicating scheduling changes to parents. If it was, then obviously a mistake had been made. The whole purpose of scheduling, in any case, is to ensure that when the scheduling is fine-tuned we will not be faced with this kind of problem when the weather gets very cold. Obviously, mistakes made at 30 below can be very serious, and we are going to do our very, very best to ensure that those mistakes are not made.

Mr. Phelps: I would like to thank the Minister for his answer, which is somewhat reassuring. I must add, though, that often I have been accused, as a questioner in court and in situations such as this, of putting words in the respondent's mouth. Very seldom have I ever heard a person answering putting words in the questioner's mouth. If you read the transcript very carefully, and your answer, I am sure you will see that you got off on the wrong track in response to my question, because, with the greatest respect, the accusations you make simply do not exist in the question.

⁹⁵ **Mr. Lang:** I want to go further into this. I understand that we do have a contract until 1987 with Diversified Transport, for busing. I understand that you may be considering breaking that contract, or at least it is under review. I would like to know when a decision of that kind will be made. Are we going to have that decision prior to Christmas, or are we talking about the Operation and Maintenance budget or when will the Minister and his colleagues make the decision of whether or not they will continue with Diversified Transport or go out for other contracts?

Hon. Mr. McDonald: We will make that decision in the spring time, for a number of reasons. I know the Members opposite do not care very much for reviews, and do not really like this government to review policies and take any time to review policies, but we are going to review the policy in any case and would like not to prejudge the results. We would like to make a major decision with respect to the general contractor in the territory, in the spring after the review is completed.

With respect to breaking the contract, it would not be breaking the contract; we would be exercising our options under the contract not to renew past next year. It is my understanding, from legal advice that we have been given, that we can sign a five-year agreement, which essentially allows that we can renew a one-year agreement for five years. If we choose not to renew it, we do not have to renew it. A number of the small bus contractors around the territory have given indication to me that they believe that some of the provisions in the contract may be oppressive. Whereas we have said that we would like to ensure that small contractors be given a real opportunity to bid on that contract, it is our intention not to compromise safety in any way, so we are reviewing the contract itself, to determine whether or not all the provisions are absolutely necessary, without compromising the safety of the people to be bused. It is our intention to renew the contract to determine whether or not major changes can be made which would allow for local contractors to bid, and if that proves to be the case, and there is good opportunity that the busing contractors will bid again next year, such as at Burwash, Mayo, Dawson and again in Watson Lake, then we will do our very best to allow those contractors to bid. Hopefully, they will bid competitively, bringing down the cost of the overall busing budget.

⁹⁶ **Mr. McLachlan:** I heard the figure of \$10 million raised regarding insurance. Is that the correct figure? Is that the total liability insurance of the contractor for all buses for all runs, or is that the liability figure for each bus per run?

Hon. Mr. McDonald: I realize I am dealing with a busing contractor here, and I bow to whatever expertise the Member for Faro has in these matters. That information I truly do not know, but

I will get it to the Member because I think it is important.

Mr. McLachlan: A secondary question that I have, to get off the busing question, because we do not have that in Faro, is this: I am not looking for a great amount of detail on it. In the fiscal year April 1, 1985, funds were provided for the operation of the Del Van Gorder School in Faro, based upon the fact that there would be a continuation of school there. Since that school is cut back severely, from September 1, 1985 onwards, what happens to the money budgeted for the operation of that school? Does it get sucked up like a blotter somewhere else in the department? Has that money gone on to other programs in other places? Is it held in reserve? Could the Minister explain exactly how he is handling that situation?

Hon. Mr. McDonald: The money itself is money that is still in the budget of the Department of Education. We have not made any conscious decision to sock that money away in case Anvil reopens. If Anvil does reopen and students start to flow back into the Del Van Gorder School, then we will provide services on an incremental basis, depending on how many students come back over what period of time. I would not envisage, for example, that if Anvil were to reopen we would immediately open up the school to a full complement of teachers, but that we would wait until such time as we had an indication from the mine as to how many people they were going to be hiring, and if those people were going to be bringing back their children prior to the end of this school year. I can assure the Member that the extent to which we have and will mothball the school will be reversed if students start returning to Faro. In no way will the operation of the Faro school impede the reopening of the Cyprus Anvil Mine. I would like to give the Member that assurance. I think it is a legitimate question.

Mr. McLachlan: I am just concerned. I do not want to get boxed into a situation that if we do need the money, or do need the school or part thereof opened, you will not come back to the Assembly and say, I have no money left, or that we did not look into that, we did not think that was going to happen. That is all the assurance that I want.

Hon. Mr. McDonald: The Member has that assurance. I can tell him that we are not going to put a lot of effort into reopening the Cyprus Anvil Mine only to find out that we cannot proceed with the reopening because we have not budgeted the proper number of teachers for the school.

Mrs. Firth: It is just like *deja vu*, talking about busing.

I would like to ask the Minister if he has consulted with the City of Whitehorse transit system to see what effect his busing policy is having on the transit system. I do not know if the Minister remembers, but we added another bus to the transit system, and he could have some conflict with his other portfolio. I wonder if he has had any communication regarding that.

Hon. Mr. McDonald: I personally have not had communication with the City of Whitehorse over their transit service. I am equally sure that the department will have had that kind of consultation. If the Member wants some details as to what has transpired, I will provide those for her.

Mrs. Firth: I would also like to know if the Minister has consulted with the school committees or the Education Council regarding his change in busing policy. Has he clearly defined that busing policy for them?

Hon. Mr. McDonald: With respect to informing school committees around the territory, other than those school committees affected by the busing policy, we have not communicated, in any formal way, the change of busing policy. The school committee of J.V. Clarke School and the school committee which still exists in Burwash Landing, have both been informed of the change in busing policy. They are quite thankful for that change.

Mrs. Firth: I would like to recommend that the Minister do notify all the school committees and that he also personally get in touch with the city to see what impact it has had on the transit system.

I think I am prepared to clear this item if he will give us some sort of commitment.

Hon. Mr. McDonald: The Member has that commitment.

Chairman: Now that we have fully explored the area of student transportation, is there any general discussion on public schools?

On Branch Administration

Branch administration in the amount of \$713,000 agreed to

On Maintenance

Maintenance in the amount of \$340,000 agreed to

On Elementary and Secondary

Elementary and Secondary in the amount of \$15,832,000 agreed to

On Custodial Service

Custodial Service in the amount of \$1,764,000 agreed to

On Clerical Support

Clerical Support in the amount of \$472,000 agreed to

On Student Transportation

Student Transportation in the amount of \$1,298,000 agreed to

On Special Education

Special Education in the amount of \$1,459,000 agreed to

On Remedial Tutors

Remedial Tutors in the amount of \$303,000 agreed to

On In-service Training

In-service Training in the amount of \$111,000 agreed to

On Extension Programs

Extension Programs in the amount of \$14,000 agreed to

On Curriculum Development

Curriculum Development in the amount of \$673,000 agreed to

On Native Language

Native Language in the amount of \$619,000 agreed to

On Gifted Program

Gifted Program in the amount of \$201,000 agreed to

On Alternate Program

Alternate Program in the amount of \$292,000 agreed to

On Learning Resources Centre

Learning Resources Centre in the amount of \$346,000 agreed to

On Student Accommodation

Student Accommodation in the amount of \$257,000 agreed to

Public Schools in the amount of \$24,694,000 agreed to

On French Language

Mrs. Firth: There is quite a noticeable increase in the French language portion of the budget. I believe the estimate in the 1984-85 budget was \$213,000, with 2.5 person-years, and this one is \$872,000, with 11.5 person-years. I wonder if the Minister could tell me what the increase in person-years is, and what positions they are. He already said this afternoon that there were four teachers for the French First Language Program, I believe, from Grade 1 to 6. Another teacher was added for the Kindergarten, 7, 8 and 9 program, so that takes care of five person-years. Could he fill me in on the other 6.5?

Hon. Mr. McDonald: From 1984-85 to this year we are only talking about a one person-year increase over the actuals for 1984-85, and that is the position of an Assistant Coordinator in the administration. There is no change in the community program in person-years. There is a 3.5 person-year increase in the French First Language Program for Kindergarten, Grades 7, 8 and 9. That should be it from the 1984-85 actuals to 1985-86. From 1983-84 to 1984-85 there was a 4.5 person-year increase to establish a program in the first place and this also shows an expansion of the immersion class because new programs are included in this particular program, as the Member knows. I am not sure if that adds up to the Member's satisfaction, but that is the information I have.

Mrs. Firth: I would like to ask some specific questions about the French Language Coordinator position. I told the Minister I would address it in this session.

When was the resignation by the French Language Co-ordinator submitted, and have you started advertising to fill that position yet?

Hon. Mr. McDonald: I do not know specifically when the resignation was submitted, July or August sometime. The job, as I mentioned earlier, has been advertised and should be closing soon if it has not already closed.

Mrs. Firth: When was that job advertised, because just recently it had not been advertised, so it must have been very recently that it was?

Hon. Mr. McDonald: I do not have that information at my fingertips. If the Member is suggesting that it took a long time, the point of her remarks was that it took an inordinate amount of time

to go from resignation to job posting, then she is right, it did take a lot of time to go from resignation to job posting. I do not know specifically the reasons for that, but I can transmit those when I get some detailed answer for her.

Mrs. Firth: I think that we would all be interested in why it took so long, particularly in light of what the Minister said earlier this afternoon about how difficult it is going to be to fill this position and what a big problem we are going to have trying to get someone from all across Canada to fill it. Who, in the interim is preparing the budget to submit to the Secretary of State on behalf of this individual?

Hon. Mr. McDonald: There is an Assistant Co-Ordinator position, who would, in concert with the Assistant Deputy Minister for public schools, be doing the technical work and submitting the budget to the Secretary of State's office.

Mrs. Firth: I want to get back to a question I raised in Question Period this afternoon, which was a policy question. The Minister indicated that he would prefer I would ask about it now. I understand that last year, in the French as a First Language Program, there were 30 students in the program. This year, with the seven students for the kindergarden, grade 7, 8 and 9, there are 27 students, which means that the grades one to six had a marked reduction of some 10 students, and this new portion, the addition, had seven students. The past government, as the Minister said, initiated this program, which we did. We initiated the French as a First Language Program and I went on to say that it was because of the Constitution, and Article 23 in the Constitution. However, the past government had a policy designating sufficient numbers, or where numbers warranted, and that policy was 15 students. Now, the Minister indicated to me this afternoon, I am not quite clear whether he said that he did have a policy or he did not have a policy. Could I ask him now, does the government have a policy regarding sufficient numbers when it comes to establishing French as a First Language Program?

Hon. Mr. McDonald: Firstly, I would like to clarify the record. I may have mentioned that there were either 27 or 29 students this afternoon. That information was incorrect. There are 34 students in the French as a First Language Program this September, but that does not change the intent of the Member's question with respect to grades 7, 8 and 9, as there are still seven students in that program.

With respect to the introduction of the grades 7, 8 and 9 program, the question is whether or not we should have declined this particular program and the teacher and the teaching position for this particular program because some might suggest that numbers did not warrant the provision of that service. We took a decision to provide the service based on a number of facts associated with the situation. One of the issues was sufficient funding. Given that this is a new program in Grades 7, 8 and 9, and new in this part of the country, which would require special assistance, and given that this program is cost recoverable from the federal government, given that the public had been led to believe that the program would take place, and given that the federal government had indicated their willingness to fund the program and also to fund the construction of classroom space for the program, we decided, in the absence of policy which takes time to study and to review and all those things that some Members of this Legislature seem to dislike so much, that this program should go ahead.

It is recognized that under the circumstances where you do not have policy with respect to new programs, 100 percent funded by the federal government, that you may be setting a precedent for a time when policy is developed. There is a time for action and a time for study, and given that there was no time either to study the policy of this sort, and given that the funding was coming, and given that the expectations in the French community were high, we took a decision to proceed with the program. We have made efforts to ensure that the classroom space is available. I believe it is still under construction but it should be available soon. We have provided the teacher for the program for grades 7, 8 and 9. We have indicated to the French as a First Language school committee, and to the Parents for French local chapter that we are going to have to take a harder look if numbers do not warrant it. After this program

is established, when the community finally accepts that the program exists, or if after having gone through the initial stages of the program development, students still fail to fill the classroom in sufficient numbers, then we are going to have to take a hard decision with respect to the continuance of this program.

"As long as the federal government is prepared to fund the program as it is, we are prepared to give it our best shot as well, to see whether or not the program does fly. If it does not fly, then it does not fly. If it does fly, then the investment by the federal government is money well spent.

Mrs. Firth: All the Minister had to do was take a hard decision now. The public expectation within the French community was there, only if numbers were sufficient. That was made very clear to them and they accepted that. Our policy was that 15 was the number. This government has no number. They are setting a very dangerous precedent that the rest of Canada is watching and I do not believe they realize the implications of their decision. All the Minister had to do was say no then. Do not give a program to people and then blame the federal government because the Secretary of State is going to withdraw funding. After you spend \$154,000 building a room, hiring another teacher, sending the children to that program for a year, you do not then say that the Secretary of State has decided that they are not going to fund it. That is all our money anyway, Canadians' money. We are here to make responsible decisions about the expenditure of that money.

I want to make a couple of points here. Number one, the Minister is going to have to establish a policy. He has already indicated to the French community and to the Anglophone community that where numbers warrant for this government, is seven. There are seven children in a classroom with one teacher, and a vice principal who is bilingual and who, I gather, spends some administrative time on those children.

Number two, he has to look at what he is creating here. An inequity that he has created was already there because of the small class size, and the Minister went on and on about pupil-teacher ratios this afternoon. I appreciate the pupil-teacher ratio aspect of it. However, you cannot justify to an Anglophone community why you have pupil-teacher ratios of one to eight — which is what we have here, it is probably even less than that, with 34 kids and five teachers for those children, plus remedial tutors and library and vice principals that are bilingual now — and I do not care if the Secretary of State is paying for it.

Is the Minister going to establish a policy or are we just going to continue to have a French class put anywhere? The Member for Kluane could say he has three children in Haines Junction who are Francophones and who want their education in French now, and according to the Minister's policies and guidelines, they are entitled to have it. There is no where that numbers warrant.

Hon. Mr. McDonald: The Member for Haines Junction happens to have a school at Destruction Bay, which has 15 students and two teachers with a teacher-student ratio of one to 7.5. Faro has a school with a student-teacher ratio of eight to one. There are rural schools in this territory with a student-teacher ratio which is of that nature, largely because it is a decision of this government that those schools, when times get tough, should not lose the support of the government simply because in any given year the population numbers have dropped down significantly. With respect to the suggestion that we should have denied the grade 7, 8 and 9 for these students, we took the decision, like the federal government, that because this is a brand new program, and because the chances of its survival are limited even with plentiful resources, we would like to certainly try to see that we had put in sufficient resources to give it a fighting chance. One teacher for French as a First Language, plus administrative staff — one teacher for French as a First Language, for 7, 8 and 9, for three grades, three junior secondary grades — did not seem to be unreasonable, under the circumstances.

The Member keeps harping on the fact that there is no prior written policy with respect to student-teacher ratios. I do not understand why she thinks that the student-teacher ratio is a sacred cow. Over the last few years the student-teacher ratio around the territory has been ignored consistently.

With respect to the student-teacher ratio for Whitehorse schools,

it is supposed to be 22 to 28 students per teacher. Now we have an average of 17 point something students per teacher, and it did not start out with this government's administration. That student-teacher ratio has been ignored regularly, because it did not fit reality.

If you are asking whether or not we should develop a policy right now and rectify the old wrong right now, I am saying we did not have time to do that. We had to make decisions right now. We made a decision, like it or not, and you can express your dislike if you like, which indicated support for this program with seven students over a three grade range with one teacher. We expressed our support to that extent. If she is asking for us to develop a policy that works and fits reality, which the previous government did not do over the many years that it was in office, then she is asking for what is a mammoth task. We can only do so much in the time that we had.

I recognize and I fully concur that without a policy you are probably going to make decisions on an *ad hoc* basis, as the previous government did for years. We are attempting, under the circumstances, given the information, to do the best we can.

¹³ We have put two teachers in Destruction Bay, and we have put one teacher for grade 7, 8 and 9, seven students, at Junior Jeckell, for French as a First Language.

Mr. Brewster: I think we had better get a few things straight here. Regarding the two teachers at Destruction Bay, you told me and that the school was still open at Burwash and the lady teacher was to drive to Burwash every day to teach school. We then had a meeting with the school band, and they agreed, under certain terms, to come down to Destruction Bay. Those terms were not kept, and I am not going to get into that argument.

The Chief made a statement in the paper that word was not kept on these things. You continually say that the school advisory board from the Kluane area was happy with this. They were not happy. They put pressure on you. The only reason you had those two teachers there is because you had two schools at that time. If you had not had those schools, you would have had one teacher plus a half a day teacher for the Native Language.

Hon. Mr. McDonald: I really have to respond to this kind of accusation. When we went to Burwash Landing, we did not go with the Member. The Member drove up in his own car, as he readily pointed out the other day. He drove in his own car. That is absolutely true. We met at Burwash Landing. We went to Burwash Landing, I think for one of the first times in years, and we said to the people of Burwash Landing, "If you want the school at Burwash Landing, you have the school". I did not say to those people at Burwash Landing that if they did not want a teacher, they would not have it. I did not say that at all. I said, "If you want a teacher at Burwash Landing, you have got a teacher at Burwash Landing. If you want to be bused to Destruction Bay, we will bus you to Destruction Bay". We offered them, for the first time in years, a choice: you can have it either way, we are not going to stand in your way. We realize that, as a small rural school, you have your problems, and, given that the alternatives were both reasonable in my opinion, we wanted to meet the people at Burwash Landing with a solution which would fit their needs. So, we said to the people of Burwash Landing, "If you want a teacher, we will provide a teacher".

As the Member knows, one of the reasons why they wanted their own school was that they could have a teacher from their own community, a Native teacher, to teach the students of that school. They had difficulty, given that the ex-chief's wife was no longer in the community, and given that the previous teacher was no longer in the community and was now in Whitehorse, finding a teacher to fulfill the function that they wanted to fulfill. So we said that there was no problem. "If you do not want the school, given that there are costs associated with maintaining the school, you can be bused to Destruction Bay". They were pleased with that. I believe they were pleased with the fact that we were offering them either option. I think quite frankly that they should have been pleased.

At the same time, we suggested to those people that we would try to get the tender documents to them in a reasonable time, and there were a few points that we put on a piece of paper, which the

Member knows about, which detailed the results of that meeting. The one item that we did not fulfill fully, and an item which I apologized for in my own office, with the Member present, was that we did not get the tender documents to the Indian Band as early as I thought that we would. They did get the documents prior to the tender deadline date, and they discovered that they could not fulfill the terms of the contract.

¹⁴ The contract is designed in such a way that it makes it difficult for small contractors to fulfill the terms of that contract. They found out that they ran up against the same problems that every other small contractor, except Watson Lake, ran into when they bid on the bids for each community run. I hope the Chief recognized, and I hope the Member realizes, there is absolutely no way that we had time to review the terms of that agreement to satisfy their concerns. I believe that we acted in good faith with that community. I believe that we offered the community solutions to their problems that they could live with. We acted in good faith, even though a mistake was made with respect to getting the tender documents to the community in time.

The accusation that we had a teacher sitting around in Destruction Bay and we had to use her somewhere, is an accusation I cannot support. If there were no students to teach in Burwash Landing then we would not have hired a teacher to teach in Burwash Landing. One of the things that the community wanted was the teacher to teach in Destruction Bay. That gives the school in Destruction Bay the kind of eight to one student-teacher ratio that is enviable around the territory which the Member for Riverdale South thinks is great. We were prepared to do that. Elsa school runs on two and a half teachers for 45 students. Its student-teacher ration last year was 18 to one.

Each school is different; that is the difficulty with a student-teacher ratio. I will admit that this government, and the previous government, will have difficulties in designing a student-teacher ratio because some schools are different from others. It is not simply the numbers of students. The class ranges for students, the number of grades, the number of students in any given class, are also other factors.

In Pelly Crossing there are certain cultural factors which are preventing those students from passing. There is some problem in Pelly Crossing which makes it difficult for those students to get through the system, and there may be a desire for some remedial help. This changes the student-teacher ratio in that school. If you have a hard and fast rule of that sort, then you will always be stuck with having to make the political decision to break the policy. You either make a policy which is flexible enough, while maintaining the integrity of the policy, or you do not make a policy at all. We are intending to design a policy which will fit the circumstances in all the rural schools and fit the situations like Destruction Bay and Burwash Landing and also fit the situation which exists at F.H. Collins. It is a difficult exercise. That is one of the reasons that I believe that the government, in the past, has not come up readily with such a policy. It is not particularly right to criticize this government for not having designed what the previous government did not design either, and adhere to. I do not think that that is particularly right.

With respect to Destruction Bay, I think that the situation was perfectly justified. I think that the Chief, and the Member, should thank this government for having dealt with the situation sensitively.

¹⁵ **Mr. Brewster:** I am just going to bring up three more things, and then I will keep out of this debate. Did you not promise that the Native Language teacher would be brought down each day at noon, to teach in the afternoon? Did you not promise that the kindergarten children would be brought down at noon? And did you and your Deputy Minister not try to get the Burwash Band to sign a five year agreement when I told them not to sign because they probably will not keep their word. Now remember, sir, that this will be on record. There were five people on the council sitting there and know what was said at that meeting.

Hon. Mr. McDonald: The suggestion that that this is on record suggests that perhaps I might not be prepared to tell the truth. I hope the Member does not mean that.

With respect to the busing, as I recall the meeting, and my memory is not that imperfect, we indicated to them that we would provide the Native Language instructor, to supplement the nice student-teacher ratio that they have, because there was a legitimate desire to have Native language training at Destruction Bay, even though it is some nine or ten miles from Burwash Landing. We said the Native Language instructor will still be teaching at your school. I cannot tell you whether or not the Native Language instructor is being bused to Destruction Bay, but I will find out. If she is not, then we will find out why.

With respect to the five year agreement, the Member will remember that when we were talking about the long term agreements, the school committee wanted some indication from the government that 15 or 20 years from now, or whenever the Destruction Bay school is ready for demolition, we would build a school for that district and Burwash Landing. I told the school committee then that in my opinion making decisions like that 20 years down the road or any period down the road is just a bunch of hot air; it is not worth the paper it is written on. My feeling is that the situation in any rural community can change in any given year, and if the government is not prepared to meet the changes in any given rural community, it is not acting sensitively to those rural communities. I believe that I may have said on the record there — and if I have not, I am saying now — if the conditions in Burwash Landing and Destruction Bay change appreciably, our response will change appreciably. We will try to be as sensitive next year as we were this year. I have no intention to dictate to those people as to what they want. It may require a discretionary decision, although some Members do not like Ministers making discretionary decisions, the politically elected people who are here to account — I am prepared to account — at that time next year. It will be a hard decision. I will have to stand here in the House and take abuse, but I am prepared to do that. I hope that we can come to some reasonable accommodation next year when the situation arises again, if it arises again.

Chairman: Order, please. I would just like to remind Members that we are on a general discussion of French Language.

Mrs. Firth: I have a question about French Language. Will the Minister communicate to the school committees his change in policy regarding sufficient numbers in the French as a First Language Program?

Hon. Mr. McDonald: Given that this is certainly a problem we recognized from the beginning, I am prepared to communicate to the annual school committee conference our problem with respect to student-teacher ratio, not just for French First Language, but for all programming in the territory, given that the policy as it exists has not been adhered to, and given that we have to develop a policy which respects more reality than some arbitrary administrative measure.

Mrs. Firth: I am not talking about pupil-teacher ratios. I understand the problem in the outlying areas where the pupil-teacher ratios are very low, and this party here in government has never had any quarrel with that. What I am talking about are two programs within Whitehorse. I am talking about a policy that was established and a policy that was deviated from. What I would like the Minister to communicate to the school committees is that he has now lead the government in a new direction with a new policy regarding where numbers warrant. Because it is a decision that courts are making on behalf of governments, we chose as a government to make the decision ourselves, and establish the policy that where numbers warrant was 15. The Minister has changed that to seven, so he has lead the government in that new direction, and I think that it is a worthy enough decision that all the school committees have it communicated to them, as well as the Education Council.

Hon. Mr. McDonald: As I stated, we will communicate to the school committees and education council our feelings with respect to the student-teacher ratios, not just for French First Language, but for provision of all services in the territory, because I am sure that any determination federally, or in the court, with respect to where numbers warrant, will also take into account that some English stream students have a student-teacher ratio which is pretty darn

close to the one we are looking at right here. That includes places like Destruction Bay and Faro.

There is, as the Member quite rightly suggested, the situation where policy has been deviated from. She is quite right that we, like the previous government, have deviated from the policy, but I can tell her, once again, that the policy has been deviated from for a long time, and significantly deviated from for a long time. That is a problem. I recognize it. If the Education Council and the Annual School Committee Conference can help provide direction, that is fine. It is my intention that we should develop a policy which reflects reality around the territory, including French as a First Language, as soon as possible. Until that time exists, it is very difficult to operate even in Whitehorse, and respect the urban student-teacher ratio. It is not just difficult, it is impossible.

Mr. Lang: Just to conclude this part of the debate, could I just ask the Minister if he would point out within the areas of the urban system where the student-teacher ratio is not being adhered to? I know that there are many of us representing areas where we have classes of 28 to one or 30 to one. I would like to know if he could provide that information, and also in the rural areas, and then we could all look at it down the road here. I think he will find that in most cases it is being adhered to except for special programs. I think, to conclude the debate, if he could provide that information in the next couple of days, it would be fine for us. We do not see a problem with this part of the budget.

Hon. Mr. McDonald: I would be happy to. I can remind the Member that as I understand it the average student-teacher ratio in Whitehorse is 17 to one. The policy is 22 to 28 to one. I did have a listing of the urban and rural schools around the territory. The fluctuations are different, school to school. They are different between public schools in Whitehorse and other urban schools. There are a number of differences. I can certainly provide the student-teacher ratio, both urban and rural, if the Member likes.

Mr. Lang: Specifically, yes, that is all I asked for, excluding the special programs. Identify them separate and apart, because if you get a seven to one student-teacher ratio and lump it in with a 30 to one student-teacher ratio, all of a sudden it shows 15 to one. What I would ask is that you take your special programs that are included in the public school system, exclude those that are specially designed for specific target areas, and then talk about the general student-teacher ratio. I think that is fair.

Hon. Mr. McDonald: That is fair, and we will provide that information. I know it exists. I know it is easily obtainable, and we will provide it as soon as possible.

On Program Administration

Program Administration in the amount of \$202,000 agreed to

18 Community Program in the amount of \$100,000 agreed to

On Program Expansion

Program Expansion in the amount of \$530,000 agreed to

On Teacher Training

Teacher Training in the amount of \$35,000 agreed to

On Student Support

Student Support in the amount of \$5,000 agreed to

French Language in the amount of \$872,000 agreed to

On Libraries and Archives

On Branch Administration

Branch Administration in the amount of \$120,000 agreed to

On Technical Services

Technical Services in the amount of \$219,000 agreed to

On Public Library Services

Public Library Services in the amount of \$530,000 agreed to

On Yukon Archives

Yukon Archives in the amount of \$318,000 agreed to

Libraries and Archives in the amount of \$1,187,000 agreed to

On Advanced Education and Manpower

Hon. Mr. McDonald: As Members will note, there has been some increase in student financial assistance. There has been an increase in Yukon College and certain in-house apprenticeship training. On the decrease in the Employment Development Program, we mentioned a number of things in the Throne Speech, which make reference to some two new initiatives. We mentioned that we were coming to some agreement, we hope, with the federal

government with respect to their umbrella human resource development strategy. That is an agreement under which all federal/territorial programs will evolve. It does not itself provide for funding, but it provides for the way we negotiate funding. There are two programs I understand being developed, which should come into effect this fall.

Further to that, there are other things of note. We are developing a training/strategy paper. I know that does not impress the Members opposite, but we are doing it anyway, and we, as Members, will find it interesting. We are trying to determine the O&M costs of the new Yukon College.

The Member for Porter Creek East made a passionate informative representation this afternoon that we had to beware of ongoing O&M costs of new facilities, and that is certainly true of the Yukon College facility when it is constructed in 1988. We are trying to get a handle on the what the O&M costs differential will be for that particular facility when it becomes into operation.

¹⁹ If the Member has line item questions, I would be happy to answer them. I would like to inform her that I should not just assume that the Member for Riverdale South is the only education critic here. There are others interested in education. Certainly the Member for Faro has demonstrated that. There is a soil management and crops course on October 5 and 6 at Yukon College. There is a marketing and storage of produce course November 16 and 17. That is where you discuss the washing, sorting and packaging of products. There is a farm and financial management course on January 25 and 26. There is a commercial egg production course February 5 and 6.

Mr. Lang: On a point of order, Mr. Chairman.

If I want a schedule of events I am sure I can read it in the newspaper. I was hoping for some information here not a schedule of what I can apply for in a course in the evenings.

Hon. Mr. McDonald: To comment on the Member's point of order, the Member was showing his usual enthusiasm for agricultural programs of the government. I know the Member for Riverdale South is more than interested in this kind of information. I am just anticipating the ultimate question in what the government is prepared to do with respect to agricultural programs. There is one other course, if the Member for Porter Creek East will just forgive me, greenhouses and backyard gardening, April 5 and 6.

Mr. McLachlan: I have a question on the general policy of Advanced Education and Manpower in regards to statements made about the Steam Engineering course. I have seen many situations, and we have had them at Faro, where it was very difficult to get qualified second and first class engineers into the territory. They often had to be imported from Vancouver and Edmonton. With the building of large institutions like Yukon College, and the hospital here, Whitehorse needs qualified engineers. I am wondering if the Minister can tell us, since there is no way of measuring what success the fourth class program meets, how does he see the ability of going to second and first class being established here in the territory? Is that a viable possibility in the next few years? What do we need to measure success? What would it take to go from third to second? Could you elaborate on this?

Hon. Mr. McDonald: I suppose what it will take to go from fourth to third and third to second class is an indication from the public that there is a need for the course. As I understand it, training for the third class level has taken place and one student is currently enrolled in that program. There are some preliminary discussions to include the second class level as spaces and need are identified. The Member is quite right in pointing out that for a while we were stuck at fourth class. Those people who wanted to upgrade themselves did appear to have some difficulty, but the department responded with the third class and hopefully we will move to second class so that people can upgrade themselves.

²⁰ **Mrs. Firth:** I want to just tell the Minister of Education that I think it is time for a training strategy paper and I would like to commend his department and him for that initiative. I am looking forward to reviewing that paper and to seeing what direction the Minister is going to take the Advanced Education department. I am prepared to clear this budget item now.

On Administration

Administration in the amount of \$238,000 agreed to
On Yukon Student Financial Assistance
Yukon Student Financial Assistance in the amount of \$1,305,000 agreed to

On Yukon College
Yukon College in the amount of \$5,206,000 agree to
On In-House Apprenticeship Training
In-House Apprenticeship Training in the amount of \$694,000 agreed to

On Employment and Development Program
Employment and Development Program in the amount of \$973,000 agreed to

On Research and Planning
Research and Planning in the amount of \$134,000 agreed to
On Manpower Planning and Industrial Training
Manpower Planning and Industrial Training in the amount of \$346,000 agreed to

Advanced Education and Manpower in the amount of \$8,896,000 agreed to

On Revenue and Recoveries
Revenue and Recoveries in the amount of a recovery of \$17,000 for Libraries and Archives agreed to, and recoveries for Public Schools Branch, French Language Program and Advanced Education and Manpower in the amount of \$3,753,000 agreed to
On Grants, Contributions and Other Transfer Payments
Grants, Contributions and Other Transfer Payments in the amount of \$2,962,000 agreed to

Department of Education, Advanced Education and Manpower in the amount of \$36,263,000 agreed to

Hon. Mr. Porter: In view of the time and the fact that we have just cleared one department, I submit that we report progress on Bill No. 2.

Motion agreed to

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

Motion agreed to

²¹ **Speaker:** I will call the House to order.

May the House have the report from the Chairman of Committee of the Whole.

Mr. Webster: Mr. Speaker, the Committee of the Whole has considered Bill No. 2, *Second Appropriation Act, 1985-86*, and directed me to report progress on same.

Speaker: You have heard the report from the Chairman of Committee of the Whole. Are you agreed?

Some Members: Agreed.

Speaker: I declare the report carried.

May I have your further pleasure.

Hon. Mr. Porter: I move that the House do now adjourn.

Speaker: It has been moved by the Hon. House Leader that the House do now adjourn.

Motion agreed to

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

The House adjourned at 9:20 p.m.

The following Sessional Papers were tabled October 7, 1985:

85-2-4

Report of Clerk regarding deductions from indemnities of Members (Speaker - Johnston)

85-2-5

Report of the Chief Electoral Officer on Contributions to Candidates during 1985 General Election (Speaker - Johnston)

