



The Yukon Legislative Assembly

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HANSARD

Wednesday, March 26, 1986 — 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 Directorate.

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
Alan Nordling	Whitehorse Porter Creek West
Doug Phillips	Whitehorse Riverdale North

Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

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

Prayers

DAILY ROUTINE

Speaker: Are there any Returns or Documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Porter: I have for tabling today the long awaited Report of the Yukon River Basin Study.

Hon. Mrs. Joe: On October 10, during a Ministerial Statement, I said that I would table a document, entitled "The Nairobi Forward-Looking Strategies from the United Nation's Decade for Women in Nairobi". I now have for tabling that document, adopted at the World Conference to review and appraise the achievements of the United Nation's Decade for Women, equality, development and peace.

Speaker: Are there any reports of committees?
 Petitions?

Introduction of Bills?

Notices of Motion for the Production of Papers?

Notices of Motion?

Statements by Ministers?

02 MINISTERIAL STATEMENTS

Government Support for the Fur Industry

Hon. Mr. Porter: Earlier and emphatically, the Yukon Legislative Assembly unanimously expressed its concern over the potential impact of the anti-trapping lobby on the Yukon fur industry, on the economic and social well-being of Yukon trappers and on the communities in which these trappers reside. In doing so, Members of this Assembly called for effective measures to be implemented to counter this destructive and misdirected lobby force.

To follow up on the strong expression of support and clear call for action, a concerted effort has been made, through workshops and ongoing consultations with a wide range of groups, to develop a comprehensive, consensual and hard hitting made-in-Yukon campaign to counter the double prong of the European and American anti-trapping movement.

I am pleased to report today on the progress we have made in the Yukon pro-fur counter-campaign.

The Yukon campaign is founded on the cooperation and participation of key organizations and interest groups. The Yukon government will provide support, back-up and funding. The campaign will be carried forward directly by the people with everything to win and everything to lose — the harvesters, the users and those who know and fully appreciate our wildlife resources and their place in the lifestyle and life cycles of Yukoners.

The campaign is regional in origin. It is national in scope in that it builds strong links within the Yukon and the two national fur lobbies. It will be international in its effectiveness in that it will reach Europeans, Americans and Canadians. The major thrust of the campaign is to increase peoples' awareness of the importance of fur to the Yukon economy and the livelihood of many of its people.

This educational process will be accomplished through promotional literature, audio visual presentations and personal contact. The message of the campaign will be delivered as close to home as the Yukon campgrounds and as far away as central Europe and the mid-west of the United States. It will be delivered in a coordinated program by seven key groups:

The Council of Yukon Indians will be funded \$15,000 by this government to design and print a brochure, similar to one already produced in the Northwest Territories, describing the importance of

fur to Yukon people. This brochure will be used at Expo '86 and at trade shows. The Yukon Trappers Association will receive \$50,000. Ten thousand dollars is for the already successful and popular program of summer campground talks, and \$20,000 for an audio visual presentation. The finished product will be used by the Trappers Association and by the Department of Renewable Resources.

The Yukon Outfitters Association will obtain \$14,000 toward the construction of a pro-fur booth, which will display Yukon fur products and distribute relevant literature at major recreational shows in Europe and the United States with which they are involved.

03 The Yukon Fish and Game Association and the Yukon Conservation Society will each receive \$7,000 to conduct an assertive awareness campaign with their counterpart organizations in other regions.

The ISI and the Fur Institute of Canada will each receive \$40,000 toward their European campaigns. Yukon representation will be ensured on each European campaign team.

The Yukon-designed campaign represents an ambitious and multi-faceted program. This program will be reviewed at the end of the year to evaluate its effectiveness. Should the campaign be successful, and there is every indication that it will have an important impact due to the care and attention of planning and due to the active involvement of so many key groups, consideration will be given to second-year funding for the critical European component.

This government is committed to the development and sustained use of the territory's renewable resources. In our efforts at expanding the resource base and the economic opportunities of resource harvesters, we must ensure that we do not lose sight of the core, historic resource use activities in the region.

The fur industry has long been a key component of the territory's economy. It was thriving before the gold rush. It carried the population through mining recessions. It has been the backbone of many of our communities. We must be sure that it is preserved intact and resilient to provide economic and lifestyle opportunities for our children and our children's children. Thank you.

Mr. Brewster: I would like to congratulate the Minister on this project. Naturally, as we put the motion in, we will support it solidly. I have a couple of reservations. I would caution the Minister, and hope he will caution the ISI, that there are not just native trappers involved in this. I have heard a number of statements on the radio where they more or less indicate they will go along if other trappers of other cultures were not allowed in. I hope our money is not getting into that situation. The other interest I have is to see just what the Yukon Conservation Society comes up with for its \$7,000.

Mr. Coles: We on this side would like to commend the Minister for the work he has done. All parties did support the resolution. I think the monetary commitment the government is making is very important to combat the anti-trapping lobby from Europe because of the huge financial backing they have from many groups, not only in Europe, but North America itself. I am sure the steps being taken by the Minister are going to help all trappers lead their own life.

Hon. Mr. Porter: In brief response to the two speakers, I would like to thank them for the support they have indicated in the House for this particular program and I would like to narrow my focus with respect to the comments made by the Member for Kluane in which he cautioned ISI to be seen to be speaking on behalf of trappers in general.

04 I would concur with the sentiments of the Member's comments. I think that when you review the program, the integral part of the program, in terms of combatting and representing trappers' interests on the international scale, is given to the FIC and the ISI, two distinct organizations that have taken it upon themselves to be the front-runners in this campaign. It was felt by us that those are the two key organizations that should receive funding, because they

represent the trapping public, as it were, all over Canada. It was felt that this was not an area that the government should actively be involved in, in a political sense, but that it would be better to utilize the groups that can speak more specifically and more clearly on the basis of a mandate for the trappers themselves.

Speaker: This then brings us to the Question Period.

QUESTION PERIOD

Question re: Carcross-Skagway Road

Mr. Phelps: I have a few questions here having to do with the year-round opening of the Carcross-Skagway Road and the agreement that is going to be signed soon, I gather, a couple of weeks from now, April 11.

We have ascertained that, right now, there is no idea of whether restrictions will be imposed on trucking with regard to the 24-hour day opening. Can the Minister of Transportation tell us if there is, at this time, contemplation of any other kinds of restrictions that may be placed on the trucking of ore over the Carcross-Skagway Road?

Hon. Mr. McDonald: There could be any number of methods to control, I suppose, the trucking activity on the Carcross-Skagway Road. They could include such things as speed limitations or gearing limitations with respect to noise control. There are a number of things that I have been told can be counted as remedial action, or as action to reduce any sense that there may be a danger associated with trucking activity on the road. Those will all be taken into account with the tourism industry and the governments. The governments will have to be satisfied. Certainly this government will have to be satisfied. Whatever remedial action is taken, it will be for the travelling safety of the public.

⁰⁵ **Mr. Phelps:** We just had a situation in which the original trucker had cancelled its contract for hauling ore to Skagway on behalf of Curragh. Does the Minister not think that now is the time to alert both Curragh, and any trucking companies that may be contemplating bidding on this most critical aspect of the reopening of the mine, of possible restrictions, either on the hours of day or other kinds of restrictions, such as mentioned, prior to these companies entering into a contract, so that they will not do so blissfully unaware of these restrictions?

Hon. Mr. McDonald: Curragh Resources has been informed that there could be road designation during the summer months, during certain hours of the day, while tourist traffic is on the road. We informed them of that possibility, and that they would have to ensure that any arrangements that they would have would heed that possibility. They were informed of that possibility last summer. They were informed again over the last few months and, most recently, in the last couple of weeks.

I was told by Trimac that the reason they were opting out of this trucking arrangement with Curragh Resources was not about the road designation. It was the method of compensation under which Curragh was offering the trucking contract to them. That is the best of our information. It is our only information as to their reason for pulling out.

Mr. Phelps: Does the Minister not think that, in the interests of a smooth opening of the mine, and so on, that this government ought to make its position extremely clear, in writing, to Curragh, and also insist that Curragh make the possibility of these various restrictions clear when it is soliciting tenders from other trucking companies?

Hon. Mr. McDonald: We have made our position explicitly clear to Curragh in writing, many months ago. With respect to honing it down to the final arrangements, I have indicated to the House on numerous occasions that, over the course of the next couple of weeks, the mining company, tourist industry and the governments will be establishing a rules of the road policy to ensure the safety of the travelling public. That policy will be adopted by the government to that end.

⁰⁶ Question re: Carcross-Skagway Road

Mr. Phelps: Can the Minister tell us if he intends to soon table

the department's estimates with regards to their anticipated costs to fulfill this government's part of the agreement with the Alaskan government with regard to 50 percent of the cost related to trucking on the Alaskan side. When does the Minister intend to table this analysis?

Hon. Mr. McDonald: We have not indicated to the Alaskans, either in writing or verbally, that we would bear 50 percent of the trucking costs on the Alaskan side of the road. If the Member was referring to the 50 percent for maintenance costs on the Alaskan portion of the Carcross Skagway Road, I have indicated in the House verbally what the costs will be. I will certainly, if I have not done so to the satisfaction of the members, do it in writing, and I will do it as soon as I can.

Mr. Phelps: I take it that this cost analysis will give a breakdown of the anticipated improvements that may be necessary to the existing road to ensure that all safety requirements will be met with regard to the truck haul.

Hon. Mr. McDonald: Yes. We will provide information on the O&M side to the fullest extent possible. As I stated before, we do not have an experience factor but we will do our best to project those costs. The same will be true for the start-up capital costs and the long-term capital costs.

Mr. Phelps: May I take it that the documentation file will give us the department's analysis of the existing road bed on the Alaskan side and the quality and thickness of the hard surface?

Hon. Mr. McDonald: If the Member wishes to wait until such time that I can have that information pulled together then I will do so.

Question re: Submission to Task Force

Mr. Coles: Yesterday, during Question Period, we asked the Minister of Education a question on why his department did not do a report to the Task Force on Family Violence when requested to. I wonder if today he can give us an answer.

Hon. Mr. McDonald: I have a statement, which is rather lengthy. Perhaps, if the Member wants, I will table the statement rather than read it instead of wasting time in Question Period. I believe that the statement is an accurate response to the Member's question from the department.

Mr. Coles: I wonder if the Department of Education has checked into the problem of family violence within the school system: what effect it has on absenteeism, special needs, and things like that. If so, what percent of the problems are actually related to family violence?

Hon. Mr. McDonald: Prior to my becoming Minister, I understand that a document was produced by the Department of Education in collaboration with the Department of Health and Human Resources, entitled Yukon Guidelines on Identifying and Reporting Child Abuse and Neglect. This report was passed on to the Task Force. It is a response to some of the concerns that the Member mentions and reflects the interest the Department of Education and the Department of Health and Human Resources has in that matter.

⁰⁷ **Mr. Coles:** The Task Force also recommended that care kits, child abuse research and education kits, or similar programs be implemented into the curriculum and I believe nine teachers were given instruction in this area. Can the Minister advise the House whether or not those nine teachers are still in the employ of the government, or how many teachers we have right now who have this background?

Hon. Mr. McDonald: I will have to check on that information for the Member because it is rather detailed.

Question re: Carcross-Skagway Road

Mr. Lang: I want to say to the Minister I do not want to get that detailed as far as questions are concerned. I ought to go on to say that one of the most incredulous statements I have ever heard in this House in my time was when the Minister of Community and Transportation Services informed this House that the agreement that he was going to sign on behalf of the Yukon Territory was going to cost the Yukon taxpayer \$730,000 more than the agreement that was tabled last fall and yet it was a better agreement.

On the same subject, I would ask the Minister about the question of contracts. The Leader of the Official Opposition asked approximately a week ago when contracts were going to be tendered for the purposes of upgrading that particular transportation route, which incidentally we are all in agreement with. Could he inform this House when those contracts are going to be tendered?

I think it is important from two points of view: when does the road open for trucking, which I understand is projected to be June 1; but from all MLAs point of view, for people to go to work. Could he please inform the House when those tenders are going to be publicly advertised for bidding?

Hon. Mr. McDonald: I am certainly more interested in responding to the Member's preamble than I am responding to his innocuous question about when the contracts will be tendered. Let me briefly answer the innocuous question first. The engineering work has been undertaken for the 1986-87 year and we anticipate that there should be no delay in terms of tendering contracts. I would say May or June would be reasonable. I can check on specifics for the Member.

With respect to the statement that the Member thought it was incredible that the new agreement was better, I was referring to the overall agreement which was negotiated.

Mr. Lang: Point of Order. On guidelines for oral question period, under section 9 it states, "A reply to question should be as brief as possible relevant to the question asked and should not provide debate". I think the Minister answered my question and I would like to get on with my supplementary.

Hon. Mr. Penikett: On the same point of order, novel as it might be, I think it might be a wonderful idea if Members of the opposition were to abide by the rules in Question Period. I am sure we would be happy to do our special effort in the same score. Among the rules of Question Period are: not to anticipate debate, not to ask leading questions likely to incite debate or to seek factual information about policy matters. Throughout Question Period, for the last two weeks, we have heard questions which were perfectly designed for the estimates discussion and not for Question Period. Mr. Speaker has introduced a new liberal regime, unlike the previous speaker, with respect to Question Period, and that is acceptable to all Members. But if we are going to have calls to order on that side, I think we should reciprocate on this side as well.

Mr. Lang: On the same point of order, I would like to point out that under section 7 it states, "a brief preamble will be allowed in the case of the main question and a one-sentence preamble will be allowed in the case of each supplementary question". I would just point out for the House that the rules are very clear. In deference to the Government Leader, he is not a House officer.

Speaker: The hon. Government Leader on a point of order.

Hon. Mr. Penikett: On a point of order. The Member is incorrect on two counts: one, I am a House officer, as Leader of the Government. Two, if the Member would like to obey the order about one sentence preambles on the supplementaries, we would be very pleased to see an occasion when he observes it.

Mr. Lang: On the same point of order. I would point out to the Member opposite that there is no requirement for a one-sentence preamble. It is a "brief" preamble.

I would ask the same Minister, as he has not informed this House, when are these contracts going out for tender? I have not had a response. I would ask him: is it next week, or is it two weeks hence? This means jobs, employment, business for our local economy. It is a very serious question, and I think a very important one. When are these going to be publicly advertised?

Hon. Mr. McDonald: The Government of Yukon spends approximately \$25 million a year in terms of highway construction. There are numerous contracts, all meaning jobs to Yukon people, and all requiring tendering. Given that kind of detailed information can only be delivered after I have checked into the details with the department, I will undertake to do that.

Mr. Lang: This question was asked to the Minister approximately one week ago. This is a very important question. We are talking about a major truckhaul, and a major opening of a transportation artery as far as the transportation industry of Yukon

is concerned. The sooner those contracts are let, the sooner they get to work, the sooner they are finished, and the easier the transportation is.

Have you received Treasury Board approval for the expenditure of those monies? If so, when?

Hon. Mr. Penikett: As the Member ought to know, the Member who continually talks about formula financing as if he knew what he was talking about, under formula financing we do not need Treasury Board approval to make capital expenditures anymore.

Speaker: Order. At this time I would just like to remind the Members that in Question Period you are to keep your questions brief and answers brief.

Question re: Curragh Resources markets

Mr. Nordling: The Government Leader mentioned in the House last week that he had gone to Japan with Clifford Frame to seek markets for the lead-zinc from the mine at Faro. I understand that there are also Swedish buyers for the lead-zinc. What is the present status of these markets? Is there a length of time that these markets are guaranteed?

Hon. Mr. Penikett: Based on one visit to meet with the major smelters in Japan and Korea, I would claim no particular expertise on the subject. As Mr. Frame told the House last fall, there is a mating season every fall between producers and buyers in the zinc markets. The world-wide marketing of the product from Faro is being handled by the Beledin Company of Sweden, a major mining and smelting multinational. This company is also an investor in the project at Faro to the tune of \$5 million, and will be helping the principals here on a number of important aspects, including transportation.

As I understand it, all the Curragh production for this year, 1986, has been placed in Japan, Korea and European markets. In the Orient, the marketing is handled by the Mitsui Trading House, who worked with Beledin in that particular sector. I believe it is Korea Zinc and Toho, and perhaps one other company in the Japanese market, that are buying this year's production, as well as companies in Europe.

Mr. Nordling: Does the Government Leader know if there is a price for lead and zinc below which the mine cannot open or where it will cost taxpayers more dollars?

Hon. Mr. Penikett: The most recent public statement on that question was made by Mr. Ralph Sultan, the vice-chairman of the Board, at the ceremonies in Faro just two or three weeks ago. He stated emphatically, notwithstanding the price situation and the great difficulties of keeping costs down in the operation, now that the mine is open it will stay open, and that is Curragh's commitment.

Mr. Nordling: My impression was that Curragh was seeking concessions from Trimac Trucking because of the low price of ore at this time. Is that the case?

Hon. Mr. Penikett: As I understand it, Trimac wanted a guarantee of revenues and Curragh quite properly want to get a cap on its costs and they could not find an amicable agreement on that question.

Question re: Carcross-Skagway Road

Mr. Phelps: I thought I was hearing right a few moments ago when the Government Leader was responding to the question of the Member for Porter Creek East. The response, as I understood it, was that when it came to money for improvements in the contracting on the Canadian side on the Carcross-Skagway Road, this government would have to be concerned about the Treasury Board approval on the federal side because this government was under formula financing. Is the Government Leader stating to the House that we are going to be paying for the road contract out of Government of YTG funds?

Hon. Mr. Penikett: I misunderstood the Member's question as it was put previously. Perhaps he was talking too quickly. Under the Engineering Services Agreement, on a project-specific basis, we do need to have Ottawa's approval. In respect to the other capital program of the government, formula financing permits us to make

our own decisions in respect to capital.

Mr. Phelps: I was sure that was the case. I wonder if the Government Leader or the Minister of Transportation would answer the question that was asked several minutes ago by the Member of Porter Creek East: does this government know whether or not Treasury Board has approved funding for the construction on the Carcross-Skagway Road for this season?

Hon. Mr. McDonald: Last week, the Member asked the same question and suggested that I could provide this answer as to when the construction schedule will go ahead, et cetera, and that I could answer that in writing. I took him at his word. Now I understand that he would like the answer verbally in Question Period.

My understanding is that formal Treasury Board approval for the allocation of funds for the Carcross-Skagway reconstruction should take place in the first or second week of April.

Mr. Phelps: Can you advise the House as to roughly how large a project we are looking at or how much money will be spent within the next year?

Hon. Mr. McDonald: I would not want to mislead the House. I will check on the information and let the Member know as soon as I can.

Question re: Furniture, locally made

Mr. McLachlan: I have a question for the Minister of Government Services on the local manufacture of furniture. Can the Minister advise this House how he has determined that the making of the furniture locally will be cost-effective? What yardsticks or measurements has he used in this regard?

Hon. Mr. Kimmerly: The criteria involved two major principles. The first and most obvious is the price, or the cost. The second is the quality of the goods. As all Members would speculate, it is possible to obtain furniture more cheaply if one sacrifices quality. Considering the quality of the solid wood, locally manufactured furniture, we have determined that for goods of a similar quality, it is more expensive to purchase outside. To put it another way, it is cost-effective to manufacture locally.

The other consideration is the economic spin-off to Yukon and the stimulation of local industry, and especially local employment in the winter. The benefits there are fairly obvious.

Mr. McLachlan: As the Minister well knows, we in this party have said that we will support the concept of local manufacture; however, we have never said, "at any price". Will the Minister indicate to this House if it is his intention and policy to give local manufacturers a cost preference and, if so, how much?

Hon. Mr. Kimmerly: I thank the Member for the question, because it gives me an opportunity to explain what has been a misconception in the media and, I believe, possibly by some local retailers of furniture. We have no policy of giving a preference to local manufacturers of furniture. That is, there will not be — or the government has no policy for 10 percent or a 20 percent, or any percentage of a preference. In fact, we do not need to, because it is cost-effective already; however, there is no policy to establish a preference for a cost premium for locally manufactured furniture.

Mr. McLachlan: Has the Minister indicated to the manufacturers of the local furniture, in any way, that unless they are able to bring down that price, governments may be the only ones who can afford their end product?

Hon. Mr. Kimmerly: Literally hundreds of people have expressed their support of this demonstration project and the costs are all public and contained in a press release, and have been in the media. The government is entering the private market, so to speak, to buy locally-manufactured furniture, but we do not wish to dictate in any way what that market should do. I expect, and I say this very seriously, that if a local entrepreneur would start to stock and market a line of locally-manufactured furniture, they would probably stock a line of furniture at a lower price than the price of the demonstration project. I hope local merchants will do that. Whether they do or not is entirely up to the private sector. One should not forget that this is a demonstration project and the prices of the mass-produced furniture are not known. In fact, the tender closes today at four o'clock.

Question re: Group Home

Mr. Phillips: I have a question for the Minister of Justice. On March 24, in this House, and yesterday in the *Whitehorse Star*, the Minister clearly stated that he will be signing a statutory declaration for the variance appeal of 501 Taylor Street. Was this statutory declaration presented to that variance hearing last night?

Hon. Mr. Kimmerly: I do not know. However, I signed one and I have it here. I welcome the opportunity to explain what is in it because it has been stated that proper explanations were not made. In fact, those explanations were made, and were made very clearly. I should state that it was my purpose, in doing this personally, to obtain the views of the residents in the area because it is in my riding and I was particularly interested in finding if there was a majority view in favour of that group home for young offenders. Some people, upon the explanation, were not in favour and did not sign the petition to the City Council. Some people were in favour, and I have subsequently learned that they have changed their minds. However, for those people, I personally visited their house and sat in their livingroom and clearly expressed that we were interested in a group home for the young offenders.

Mr. Phillips: I would just like an answer to my question, not a whole explanation of the whole story.

On Monday, the Minister gave this House a commitment that he would present this to the Variance Board. Can he tell us why this was not presented to the Variance Board?

Hon. Mr. Kimmerly: We are centering on some fairly insignificant details as opposed to the major issue. I would answer the question this way: I stated very clearly that I was prepared to sign a Statutory Declaration for presentation at the Board of Variance, I believe. The lawyers who were preparing that asked about the contents of the Statutory Declaration, and I gave it to them. They recommended, I was informed, that a Declaration of a civil servant, I believe John Ferbey, be presented and showed me that Declaration.

I stated that the direct information from me would be better. I signed a Statutory Declaration and gave that to the lawyers involved. I have no specific knowledge of what they did with it. Those are the facts of the matter.

Mr. Phillips: The Member for Whitehorse South Centre is a lawyer and a former judge. He stood up in this House on Monday and said, "Those people confirmed to me and personally I will be signing a Statutory Declaration to that effect for the variance appeal." Why did he tell the House that he was going to do that, being a lawyer and a judge and knowing all the legal ramifications as to whether he could or could not, and then not do it?

Hon. Mr. Kimmerly: I did exactly what I said I would do.

Question re: Government Service Contracts

Mr. Lang: I have a question I will address to the Government Leader, although the Minister of Government Services may want to reply.

Last fall, in a written question, we asked for all the government service contracts emanating from this government. We then sent correspondence approximately 10 days prior to sitting, asking, once again, for that information, since we had not received it. Since then, I have asked the Government Leader, in his capacity of Minister of Finance, whether or not we could get all the up-to-date service contracts.

My first question is: in the documentation we have received, there is approximately 40 or 42 service contracts missing from the numbers that have been provided to us. I would ask the Government Leader if this is an oversight and, if it was, could be corrected quickly, because we are talking about a substantial amount of money.

Hon. Mr. Penikett: I do not know the answer; I will find out.

Mr. Lang: Further to that, the Government Leader was going to check, I believe it was the day before yesterday, about providing us with the government service contracts that had been issued since October 24 of last year. I would ask the Government Leader, or the Minister, if that information could be provided for tomorrow since we are dealing with the supplementary and we are dealing with hundreds of thousands of dollars. It would provide a lot of

information to all Members.

Hon. Mr. Penikett: I cannot say for sure that that information will be ready for tomorrow. We have been responding to literally hundreds of questions. I have stacks of replies here already for questions asked by Members this week and last week. We will try to get the information the Member is requesting. He also requested that we made available to Members opposite documents as they are signed. That is an extremely unusual procedure and one that would never have been permitted under the former administration. Sometimes, we could not even get contracts and studies that had been done by the former government.

Mr. Speaker, we are taking that novel suggestion under advisement. The only Parliament where I know that it is done is in Sweden, but of course they have a more open system there than we have had traditionally in this country.

I said that I would take it under advisement. We will be making a decision, I expect collectively, in Cabinet. I will advise the Member of the decision.

Mr. Lang: Can we assume that that decision would be taken tomorrow, because I understand that Cabinet sits tomorrow, is that not correct?

Hon. Mr. Penikett: No, I do not announce Cabinet agendas in this House.

Question re: Trade missions overseas

Mr. McLachlan: My question is to the Government Leader. When he returned late last fall from trips to the Orient with Mr. Frame, he expounded in the press about the benefit of trade missions from Yukon. Could the Government Leader advise if he has planned a trade mission from the Yukon to Pacific Rim countries to assist in marketing any of Yukon's products as of yet?

Hon. Mr. Penikett: No firm plans have been made. The tentative proposals that we are developing will involve this government meeting with a group of people, which will include representatives from the mining industry and the tourism industry.

This morning I met with the senior official of Canadian Pacific Airlines who expressed their interest in cooperating fully with the venture as our plans develop, but our plans are very much at the conceptual stage at this point.

Mr. McLachlan: Is the Department of Tourism the only department that the Government Leader plans to take on this trip? What about Economic Development?

Hon. Mr. Penikett: As the member knows, the Department of Economic Development: Mines and Small Business is the department which is responsible for several sectors in this economy. The Department of Tourism is responsible for another important sector and initially, at least, the discussions and plans will be developed in those two departments. As we develop our ideas we may involve other agencies. We will certainly be involving the responsible groups in the private sector in developing our plans.

We cannot have such trade missions on the scale such as those promoted by Alberta and BC, which are very large. So, we will have to have a small group and put a lot of care into thinking who would be appropriate to include.

Mr. McLachlan: Have you received any indication of a reciprocal visit by any Pacific Rim countries to this territory?

Hon. Mr. Penikett: We have already had quite a bit of interest on that score from the Japanese on the tourism side. When I was in Japan and Korea, not only did all the companies I met with have, within their ranks, people who had visited the territory in the past — some of them had even examined the mine site at Faro and the port facilities at Skagway — but every single one of them was also interested in coming back here to have another look at what we are doing and other potential prospects.

In short, I believe that, as a result of the visit we will make and other initiatives, there will be plenty of people coming. I am advised by the Minister of Tourism that there is a group of 130 Japanese coming to the Yukon on June 22.

Speaker: The time for Question Period has now elapsed. We will now proceed with Orders of the Day.

ORDERS OF THE DAY

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Mr. McLachlan: I would request unanimous consent to waive the provisions of Standing Order No. 12 and call the items No. 1 through 5 in the order agreed to among the House Leaders and communicated to the Clerk of the Assembly.

Some Members: Agreed.

Speaker: Unanimous consent is granted.

Motion No. 8

Clerk: Item No. 1 standing in the name of Mr. Brewster.

Speaker: Is the Member prepared to proceed with Item No. 1.

Mr. Brewster: Yes.

Speaker: It has been moved by the Member for Kluane that the House urges the Government of Yukon, the Government of British Columbia, and the Government of Canada to conduct a feasibility study of Tarr Inlet as a potential port and access corridor in the Tatshenshini River area in order to provide Yukon and northwestern British Columbia all-Canadian access to Pacific tidewater.

Mr. Brewster: This project is very close to my heart. We originally started in 1962. We have not been able to get governments to listen. However, that is probably one of the reasons I am an MLA right now, to try to make government listen to a few things.

I decided that, rather than make another new speech up, I would go back to the one that I made the Canadian Transport Commission, which contains most of the same arguments; however, some of those things we have managed to get through as of now.

I would like to make it very clear right from the beginning of my presentation this afternoon that what I am advocating is that we look into the feasibility, and I stress the word feasibility, of locating our Canadian port at Tarr Inlet in northwestern British Columbia. That being said, I would like to elaborate a bit on the reasons behind my proposal.

As members of the Canadian Transport Commission, you have been entrusted with the very difficult and challenging task of reviewing transportation systems. Your efforts in this regard will be directed towards improving existing and future transportation requirements. In Yukon we have witnessed recurring booms and busts in our economic fortunes. Most recently, we have seen how a once thriving industry can be dashed in short order with changes in the world economy.

I am the first to admit that dealing with the Yukon's future transportation requirements is very difficult, in that none of us is able to predict what the future holds for the Yukon.

There are certain givens in the Yukon's economy, the main one being the relatively high cost of transportation. Except for small cottage industries, all consumer goods must be transported into the Yukon and our products must be exported outside. In order to be able to develop our economy we must come to terms with the most significant cost for us, that of transportation. It is my hope and anticipation that the results of your inquiry will assist us in improving our transport infrastructure.

One of the most coveted qualities of a good transportation system is access to the oceans. For all practical purposes, Yukon now has access to the Pacific by way of the Alaskan ports of Haines and Skagway. It is very clear to us here that an economy heavily dependent on mining and, to a lesser extent, tourism, as ours is, must have access to the sea. The Alaskan ports have served that function, but not without extracting a considerable price from Yukoners. Much of the economic activity of these two ports is derived as a benefit of economic activity in the Yukon.

Yukon's use of these American ports has not been without its difficulties. Alaskan labour laws have effectively increased the cost of transporting goods to the Yukon by requiring extra personnel on American train crews. I believe that you will be able to determine, through your inquiry, that this is one of the major considerations in the shutdown of the White Pass and Yukon Route Railroad, with indirect financial consequences for Cyprus Anvil.

In addition, many Canadian trucks are not licensed for Alaska,

and have to transfer their load to American trucks at the border. This, too, increases the cost of transporting goods to and from Yukon. As Yukoners have no control over events in Alaska, there is very little we can do to prevent actions that affect us adversely.

In 1982, a labour dispute at the ports of Skagway and Haines virtually crippled our normal transportation system for food. The strike meant that all food destined for the Yukon had to be transported by tractor-trailer over the Alaska Highway and Stewart-Cassiar Highways. The Yukon government Department of Economic Development estimated that the cost of food transported during the strike would increase from five to 10 percent.

Despite strong pressures from the Governments of Yukon and Canada, there was little that could be done to end the strike. Yukoners were being held for ransom. We were forced to pay the extra costs created because of the strike, and probably the cost of the settlement which ended it. It is not that we have no labour disputes here in Canada, but we could attempt to resolve them if it happened at a Canadian port.

¹⁶ My point is a very basic one. It would be very advantageous to have a Canadian port as an alternative to the two existing American ports.

The proposition I am making is a long-term issue. Everyone here is well aware of the time and expense involved in building the necessary infrastructure for the port. Tarr Inlet provides the only point for a Canadian port which could serve Yukon's transportation requirements. It is only because of the retreat of the glaciers that we have this opportunity. At sometime in recent years the glacial icefields have retreated across the Canadian-United States border leaving an area of navigable water of at least two miles into British Columbia.

Each summer ocean-going cruises venture up Glacier Bay to view the glaciers with apparently little difficulty. The result of all this is that we now have an ocean access which is navigable and, most importantly, within Canada.

There has been talk by various parties about Tarr Inlet but nobody has put together an up-to-date analysis. Dome Petroleum, the owners of Cyprus Anvil, did a brief analysis of Tarr Inlet as a port site but concluded that it would not be a viable alternative for the shipping of Faro concentrate because of infrastructure cost. But they also concluded that this may change if Windy Craggy develops. Recent mineral discoveries in northwest British Columbia may be the factor which makes Tarr Inlet an economical and viable port. Falconbridge Limited of Toronto has two mineral deposits in the area, Maiden of Urn and Windy Craggy. Falconbridge is in the second year of a test-drilling program at Windy Craggy, which is located at the junction of the Alsek and Tatshenshini Rivers. They have discovered copper mineralizations in a very large massive sulphide deposit. It has excellent potential as a world-class mine. The drill test results will be ready this fall. If they proceed to develop this deposit, they will require access to the ocean and Tarr Inlet is only 30 miles away. It would be logical access.

This is a prospect the Government of British Columbia is very interested in. I think this inquiry should consult with them in this regard.

Officials of Falconbridge were also quick to explain that the presence of an infrastructure, like roads and ports, is a major factor in determining the feasibility of mineral deposits. There may be other mineralizations that would be economically feasible if there was a road and port infrastructure in the area.

Critics of Tarr Inlet are usually not aware of all the factors, such as the Windy Craggy copper deposit. They usually state that Tarr Inlet is 40 miles further from Whitehorse than Haines, and much further than Skagway. In this regard I would like to make several points of clarification. The standard of road between Whitehorse and the 75 mile point on the Haines cut-off highway, where the highway to Tarr Inlet would branch off, is some of the best highway in the Yukon. The American government has invested huge sums of money in reconstructing the Haines cut-off highway to a standard approaching that of a trans-Canada highway. There is only about 60 miles left to be reconstructed and I believe that this will be done in the near future. The Government of Canada, by an international treaty, has assumed the responsibility to finance and maintain the

highway after reconstruction. This treaty guarantees that the road will be kept open on an all-season basis.

In addition to this, a new contract has recently been awarded to reconstruct a section of the highway between Whitehorse and Haines Junction. This will leave only 50 miles of the Alaska Highway which has not been rebuilt.

Some of the best roads in the Yukon are between Whitehorse and 75 Mile on the Haines cut-off highway, and there already exists a long-term financial commitment to keep it open on an all-season basis. Access to Tarr Inlet would be in the vicinity of Mile 75 Mile on the Haines cut-off highway to the junction of the Alsek and Tatshenshini Rivers.

¹⁷ That road travels south to Tarr Inlet. The Skagway Road is not intended to accommodate heavy truck traffic and would require a great deal of expensive upgrading to bring it up to the same standard as the Haines cutoff highway. Keeping the road to Skagway open on an all-season basis would be a considerable expense, and I do not believe it is justified to have both the Haines cutoff and the Skagway Road opened all year round. There would also be a number of safety hazards associated with using the Skagway Road for truck transportation on an all-season basis.

Specific weather information on Tarr Inlet is difficult to find. Several trappers whom I have talked with say that the snowfall is lighter on the Tatshenshini than in the Haines or the Skagway areas. I imagine this could only be verified through careful research.

In addition, the downward slope to Tarr Inlet would be no more, perhaps even less, than that of the Skagway or Haines Roads. An engineer looking at the contour of the map estimated the grade of the last six miles to the ocean would be no more than seven or eight degrees. It could be improved with proper engineering.

I would also like to point out the economic considerations in having a port at Tarr Inlet. The economic activity at the port would be part of the Canadian economy. Therefore, the flow of money out of Canada into American ports would be curtailed. It would be run by Canadian workers who pay their income tax to the Canadian government. This, in itself, is a positive point when looking at the feasibility of the port.

Another economic consideration is the tourism potential of the area. A highway to Tarr Inlet would travel along the Tatshenshini River, recognized as one of the top five wilderness rivers in North America. It would also parallel the huge glacier icefields and offer tourists an opportunity to view the glaciers from a vantage point that is not available anywhere else in Canada, including Kluane National Park. The tourism potential for this area is unlimited.

In my efforts to explore the potential for a port at Tarr Inlet, I quickly realized two things. First, there seems to be a real lack of good, hard up-to-date information on Tarr Inlet. Secondly, it is beyond my capacity as an MLA and my personal resources to attempt a feasibility study on my own. I simply do not have the expertise. That is why I am here discussing Tarr Inlet with you today. I am sure you have both the expertise and the capacity to study the matter in greater detail.

Quite frankly, the verdict is still out on Tarr Inlet. I am not claiming that this is the answer to all our problems. Rather, I am suggesting that there are enough factors that point to Tarr Inlet to at least take a good hard look at it. Nor am I suggesting that Tarr Inlet be developed in the short terms, the terms that your inquiry point out. We should be looking at the long term transportation needs of the Yukon. In this regard, I do not think we should count Tarr Inlet out.

The proposition I am putting forward is a long-range project and many people may not take it seriously. These were the same people who laughed at John Diefenbaker when he started the Dempster Highway. Today the Dempster Highway is a very important link in Canada's transportation system. Tarr Inlet may also be an equally important part of the transportation system at some time in the future.

You might say that if we had done this in 1962 when Mr. Proctor went down there with a Cat, and the bureaucrats chased him out of the country, we would not be having the problems that the Minister now has with highways.

I would like to read you a couple of letters to show you how

confusing the situation is. The first letter was written on March 9, 1925. I will just read a small part of it, "Our International Boundaries Commission has fixed points in the boundary and mountains on either side of Tarr Inlet. It is proposed that this international boundary line shall be laid down on the surface at the head of the inlet as soon as possible in order that we shall know exactly what is the area of this exposed land lying within Canadian territory."

"In the meantime, I would suggest that you do not grant any privileges to any individual or company respecting this land or the harbourage facilities in connection thereof as this may probably be a strategic point of very considerable value to the Dominion". This was signed Deputy Minister Corey in March, 1925.

This is a letter that I wrote on July 22, 1983. This shows you what happens when you deal with bureaucrats. "Dear Mr. Brewster: I refer to your letter of 31 May, 1983 addressed to the National Personnel Records Centre of the Public Archives of Canada concerning the property of Tarr Inlet in northern British Columbia."

¹⁸ "Earlier this year, my department was advised by the Treasury Secretary of the existence of a reservation of a parcel of land at Tarr Inlet. This area was evidently reserved by the Department of the Interior in 1925 for consideration of the potential harbour facility, because there was an expressed interest by both the Department of National Defence and the Department of Marines and Fisheries. A thorough search of all the records and files both in my department and in Public Archives Canada was made. However, the research staff has not been able to find any reference either to this reservation or to any study of the area. Moreover, it has been determined that there is no departmental requirement for this reservation because of its isolated location and the problem of accessibility. I regret that we are unable to be of more assistance in this matter. However, I trust that you will continue to rely on my cooperation whenever possible in the future."

That was a decision received 4,000 miles away. They make decisions for you, but they do not even know where it is.

I now refer you to the Executive Chamber Councils in Victoria, in 1925, Mr. Oliver, Mr. Muntson, Mr. McLean and Mr. Podelau, "That, under authority of 98(1) Chapter 131, rrs B.C. 1924, being a land act, the following described parcel of land to be reserved...", and it goes on to reserve that. It has been since 1925. The bureaucrats in Ottawa do not even know it is here.

I urge everybody in this House to take a very good look at this thing.

Applause

Mr. McLachlan: Having gone through the gut-wrenching period of the last four weeks over the whole issue of the Carcross-Skagway Road and trying to determine whether we had an access for concentrate out of the Faro mine or not, and realizing the development in my riding, in my area, was virtually worthless without being able to transport this concentrate to tidewater, and feeling a sense of despair at the position being held out by the people of Skagway, by the Governor, and the unfair, as we perceived it, bargaining position that the Governor appeared to be executing and holding to, I really feel that this motion as presented by the Member for Kluane will receive the whole-hearted support from our party, especially from me in the riding of Faro.

I have discussed the issue with my colleague for Tatchun, and we also feel that given the potential for new highway road construction and highway development in his area, that there could, in conjunction with the development of this potential project, be someday a road linking the Carmacks to Snag area, which would be the first feeder portion of this road on through to Tarr Inlet.

The Member for Kluane has put a great deal of emphasis on the copper-bearing ores, copper-zinc-bearing ores in that area. I feel that, as was the case in Faro in 1967, 1968 and 1969, the development of the mineral-bearing deposits in that area became, to a larger part, the reason for the road being there, and subsequent development that follows from this road being in place is a natural, logical conclusion.

In conclusion, I simply want to say that, as I earlier reiterated, we

will be giving this motion our unqualified support and will continue to support it further, even when this House should someday come to considering the amount of dollars required for this feasibility study and putting a price tag on it.

¹⁹ **Hon. Mr. McDonald:** A couple of years ago, when the Member for Kluane brought the matter to the attention of the House and made it quite clear that this was a matter of great concern, both to him and his constituency, and the people of the Yukon, I had occasion during that period to travel to the Member's office to view a map on the wall of the anticipated road route from the Haines Highway through to Tarr Inlet, and was intrigued by the possibilities at that time. It has not been until recently that I began to take a heartfelt interest in the matter myself.

The feasibility study the Member mentioned has not been undertaken, to the government's knowledge, by the federal government, certainly. The extent to which YTG has reviewed the costs associated with the road access and port development is sketchy at best, and that should obviously not determine whether or not we should proceed with a feasibility study.

As far as the government is concerned, the Member for Kluane's days of yearning are over. The Government of Yukon will wholeheartedly support this motion. We believe that assessing access to tidewater on an all-Canadian route would be an integral part of any transportation study, and we would undertake to do a feasibility study such as this in the very near future.

As I mentioned in the House before, we are undertaking a review of our overall transportation policy on development, and this would certainly be a very important aspect of that. I have had some experience in recent months on how an existing tidewater port, on which we have formed some dependency, could easily be considered a bottleneck or impediment to development rather than the traditional gateway to Yukon. I think it is only prudent and responsible to make every attempt to remove such bottlenecks if possible in the long term. We can commend the Member for Kluane for showing the far-sightedness necessary to improve the transportation situation for future generations of Yukoners, and the parentage of the idea is truly his, as far as this Legislature is concerned. We hope that a feasibility study will prove positively that this transportation option will be viable in the future.

We support the motion and will do what we can to encourage the Government of British Columbia and the Government of Canada to participate in the feasibility study and commit whatever resources we have to that venture ourselves.

²⁰ **Mr. Phillips:** First of all, I would like to commend the Member for Kluane for proposing this motion. I would also like to commend the government for supporting it. All the Members of this House should realize the urgency of the motion. There are presently moves afoot to lock up forever the valuable resources and the uses of this area. I am not saying that it should or should not be developed, but what I am saying is that we should fully investigate the renewable and non-renewable potential of the area first.

As the Member for Kluane has said, a great deal of interest has been shown by the mineral industry in the area, and the possibility of a port in the future would also be extremely valuable in promoting an all-Canadian route to tidewater.

I will be supporting this motion, and I would encourage all other Members to do the same.

Mr. Nordling: On March 20, 1986, the Yukon Chamber of Mines made a submission to the Special Joint Committee on Canadian International Relations. I would like to quote from that for the record.

The Chamber of Mines says, "The Yukon, since its inception, has been in the unfortunate position of being located within 100 miles of tidewater while, at the same time, being so far from a Canadian port that a Canadian shipping option is economically closed to us. Our present outlets are through the narrow Alaska Panhandle to the ports of Haines and Skagway. We have recently found ourselves held ransom to Alaskan political manipulation, of a character that does not fall within the bounds of international

diplomacy.

"In response to this situation, the Chamber has been petitioning the federal government to carry out a preliminary survey of the Haines Junction-Tarr Inlet transportation corridor, in order that an all-Canadian option might be considered."

As critic for Mines and Small Business, I am pleased to support this motion and the position of the Yukon Chamber of Mines.

Mr. Phelps: I am very pleased to hear that the government does see fit to support this motion. It would appear that it is an all-party agreement in that regard.

I would like to say that, on the same day that the Yukon Chamber of Mines presented their brief, I presented a brief to a Special Joint Committee on International Affairs with regard to Yukon's access to tidewater. As one of the parts of that brief, one recommendation or things that I asked of the Committee was that they might recommend such a feasibility study to the Government of Canada. If it is done jointly, that is good, but it would be nice to see some of that government's funds involved in such a study, if possible, since the port itself and most of the route is in BC and not in Yukon. We would be the beneficiaries. We have always worked very well in the past, and I am sure we will in the future, with the Government of BC when it comes to our interests and our joint interests in this part of the world.

I am disappointed that the government did not present a comprehensive brief on the issue of access to tidewater to the committee, particularly since they had such difficulties in dealing with Alaska on the Carcross-Skagway Road.

²¹ Mr. Brewster quoted fairly extensively from a speech he gave several years ago and, in so doing, he mentioned a large deposit of precious minerals that would be on the route from existing transportation to the proposed port, the Windy Craggy deposit. That is a very large potential. It was being explored by Falconbridge and others.

If my memory serves me correctly, over the course of about two years they expended some six or seven million dollars in drilling and other geochemical studies. It is very, very rich in copper. It is unfortunate that copper has fallen in value, like other base metals, over the course of the past couple of years. It is also potentially the largest source of cobalt in the free world. They found gold. They had very few drill holes because they were so deep and so expensive.

I recall, during that season, that one of the drill holes was reported to extend some 400-450 feet, cutting through a relatively rich area of this massive ore body. That one drill hole was just a huge intersection of what, in any other place in the world, would be a very very rich gold mine with the kind of results they got.

Such a transportation corridor and port would indeed enhance and assist the mining sector in a large area of the Yukon. It would find it more economical to move ore through Haines Junction to tidewater and, of course, it would be pleased to move it via a Canadian port, which is in BC.

It would also have striking benefits, as the Member has said, in terms of income, jobs, income tax for work in the port itself and would certainly serve us in good stead in our dealings with Alaska, particularly with regard to the Port of Skagway, having this all-Canadian alternative that is economically right for Yukon.

It would have, I am sure, great benefits to the tourism industry, because such a road would lead through spectacular scenery and one could just imagine the beauty of a small town located on a deep fiord with one end completely covered by this huge glacier, which has been receding in recent years.

I take great pleasure in complimenting my colleague, Mr. Brewster, in the good job he has done in bringing this motion forward and the extensive research he has engaged in over the years and for his keen interest in this port. We look forward very much to seeing this motion passed unanimously today and to seeing what kind of results we will get from a joint feasibility study.

²² **Hon. Mr. Kimmerly:** I was not intending to rise, but there are a few points that should be put on the record, I believe, and I will do that.

First of all, let me say that I commend the Member for Kluane for bringing this motion. He has raised this issue before in this House in 1983, I believe, and subsequently. We now have a formal motion that will express the will of the House and also document, as was most appropriate, various positions and information, some of which appears to have been lost in Ottawa.

For the record, the government does take an interest in this area, as was previously stated. Although the Leader of the Official Opposition criticized us, I should state that we raised this issue in our discussions with the Joint House Senate Committee. He was not present at the time, but I personally raised it in our discussions, I believe it was last week.

The record should indicate that there will probably be an international negotiation requirement about this issue. After the Member for Kluane raised the issue in 1983, I went to visit the area by water — that was in the summer of 1984 — from the American side. I questioned American officials about Tarr Inlet, and I was clearly and unequivocally told by them that it was not a Canadian shore, that it was American.

Now, we seem to have assumed there is no problem there, but we should address that issue, and I would say that that is all the more reason to move more quickly on this motion.

I should also mention that the waters are contained in an American national monument and are extremely significant to wildlife, especially whales, at certain periods of the year. That factor should be considered in all of the feasibility studying that we hope will occur in the future.

²³ **Mrs. Firth:** I had not intended to rise and speak to this issue, but because the Minister of Justice is so predictable — he always does this — he always wants to set the record straight or correct something. I, too, would like to set the record straight in this instance.

I was at the meeting that was held with the Committee on Intergovernmental Affairs. At that committee meeting, the government raised the issue of Tarr Inlet; however, I do not recall that they put forward any position regarding Tarr Inlet. It was simply raised as an option. It was raised not at the public formal hearings; it was raised here in the Legislative Assembly in a private meeting.

The Leader of the Official Opposition put forward a public position for the Conservative caucus regarding Tarr Inlet. We are on the record as having done that. We are on the record as supporting the feasibility study of Tarr Inlet as a potential port and access, and I do not recall the government putting forward that position.

I want to comment again and commend the Member for Kluane for bringing forward this motion. I know how strongly he feels about this issue and how long he has been pursuing it. I compliment the speakers on the government side, and the government, for their support and their kind compliments to the Member for Kluane for this motion.

Mr. Webster: I, too, did not intend to speak to this motion, and I hope I am not as predictable as my hon. colleague, the Minister of Justice, in my response. I would like to take this opportunity to acknowledge the efforts of the one Member of this House who, almost singlehandedly, has been responsible for bringing this matter not only to our attention, but to all Yukoners.

I have to confess that I was not aware, just two months ago, of Tarr Inlet and its potential as a port. My first knowledge of this was when it was raised in the discussions at public hearings of the Renewable Resources Select Committee, of all places. I thank the Member for his efforts over the years, especially his battles with the bureaucrats. I want to assure him that I, indeed, will be supporting his motion, as will all Members of this House. As it is unanimous, it begs the obvious question as to why this motion, or something quite similar to it, was not introduced in the previous three years.

Speaker: It is my duty to advise the Assembly that the hon. Member is about to exercise his right to close debate. Here afterwards, all Members will be precluded from speaking to this question; therefore, any Members wishing to speak should do so

now.

Mr. Brewster: I would like to get a couple of things straight on the record. Number one, this is not my swan song. Everyone is being so nice to me. I am going to be around for a while yet. I do not want anyone to think they are going to get rid of me that easily.

I would like to correct a little of what the Minister of Community Affairs and Transportation said. I am not one of the first ones to suggest this. Peter Versluis, Leo Proctor and Harry Johannes, in 1962, took Cat down there. They were the first ones. They were the oldtimers.

I believe, much like the Minister of Renewable Resources, that you should listen to your elders. If he listened to me a little more once in a while, he would not be in the trouble he is.

For the Member for Dawson, the reason I have taken three years is the bureaucrats. It has taken me three years to get anything from them. Now all of a sudden they are falling all over me. It took three bloody years to do that, so that answers that one.

The Minister of Justice made a couple of statements about the right to go through there. I have talked with marine experts. Of course, lawyers are way smarter than marine experts. I do not think that lawyers can be beat at any time. They always figure the way out. If we are not allowed to go down through there, then what are they doing going between Victoria and Vancouver Island in BC. There is an international treaty. Maybe the Minister did not know it, or maybe he did not want to bring this up. It says that if you have salt water in your port then you have a right to go into that port. I think that pretty well settles that. I did not make those decisions. Marine experts made them.

I would just like to thank everybody very much for supporting this. I did not realize that everyone was going to speak on it but I am very, very happy and I hope it goes on from here.

Motion No. 8 agreed to

Motion No. 11

Clerk: Item No. 4 standing in the name of Mr. Lang.

Speaker: Is the Member prepared to proceed with Item No. 4?

Mr. Lang: Yes.

Speaker: It has been moved by the Member for Whitehorse Porter Creek East

THAT it is the opinion of this House that the Government of Yukon should consider introducing an Appropriation Act to reallocate the \$1 million for the extension of the liquor store warehouse in Whitehorse to the following rural Yukon communities in order that they can balance their budgets and keep taxes to the property owners in these communities to a minimum: Watson Lake \$50,000, Dawson City \$81,000, Mayo \$20,000;

THAT it is the opinion of this House that the remainder of the money should be expended to install a sprinkler system as well as adequately insulate the Territorial Administration Building in Dawson City; and

THAT any monies not expended be returned to the Yukon Consolidated Revenue Fund.

Mr. Lang: I rise, hoping that the level of debate will remain at the same level as during the previous motion. I was very gratified to see a cooperative mood prevalent in the House and I am sure that it will apply to this particular resolution as well. I am sure the MLA for Dawson City, the MLA for the Mayo-Elsa area and the MLA for Watson Lake will be very pleased to see this motion here since it does apply to a number of rural communities which are suffering some very severe financial constraints.

I want to say at the outset that the Government Leader said, "We will have criticism and in some cases we will have constructive criticism. We will listen to that criticism. We will benefit from that criticism. This is a democratic government. This is a government that is going to try and serve the public interests of the people of the Yukon".

The reason I am referring to those words is because I thought to myself that that was very appropriate in view of the tone and the tenor of the resolution that I am presenting for consideration of all Members today.

²⁵ I bring it forward from what I deem to be a very constructive

point of view. At times, the government has a tendency to say to this side of the House, whether it be Liberal or Conservative, that you do not bring an alternative; all you do is complain. Once again I am bringing forward what I deem to be a very significant amount of money that has been set aside and allocated in such a manner that I believe to be a misexpenditure. I am bringing forward this particular item to discuss, in its entirety, constructively.

The motion only speaks of three communities. I would welcome any resolution from the side opposite, from my colleagues to the left here — sometimes to the far left — if they are aware that their communities are short of dollars, we would be more than prepared to look at an amendment. I want to assure them that we would do it in the same manner that they spoke to the previous motion.

We have a number of items in the motion that is set before you. The one I would like to deal with, at the outset is the question of the infamous liquor warehouse extension.

We have a government that is going to set aside \$900,000, at the beginning of last fall, for a make-work project. Then, towards the end of the session, the Minister responsible said it was necessary. The debate went on for quite some time. I feel that it is pertinent to raise it again. I have rounded off the figure to \$1 million as opposed to \$900,000 for the purposes of this debate, because, knowing government expenditures, knowing what procedures will be gone through, we are probably looking in the neighbourhood of \$1 million being spent for the purposes of that extension.

It is no secret. This side of the House does not agree with that expenditure of money. In fact, we think it is stupid. Just the other day, for example, we had, from the side opposite, the introduction of the imposition of a major tax on liquor in the Yukon, under the guise that it would increase the price to such an extent that there will be less drinking in the territory.

I do not necessarily agree with that, but that is the government's position. Fine. I defend the right to have that position. Then, I say, there would be really no reason for further storage if people are drinking less, unless you are going to maintain your orders and get an extraordinary amount of volume in storage.

The other reason that I am bringing it forward is that, at the same time that the Minister responsible for the Liquor Corporation came forward and asked for that \$900,000 — which now we estimate to be \$1 million — he has publicly stated that he is looking at the further possibilities of outlets in the communities, i.e., Ross River comes to mind, Old Crow, and the possibility, of the observation made from my colleague for Tatchun, of Pelly Crossing.

That is three more outlets that would be used for storage, which would mean less storage in the Whitehorse area. Following that through, regardless of stubby beer bottles, it would seem to me we would have more room in the present Whitehorse liquor warehouse.

I bring forward to you what I deem to be a very valid observation on this particular expenditure.

²⁶ I also want to point out for the record, again, that Watson Lake, Haines Junction and Dawson City — God bless Dawson City — are going to get a new liquor warehouse and liquor store in the next year. So, there are already facilities in those particular communities, as well. I think back to my days on that side, where complaints would be lodged that there was not enough liquor being stored in these particular warehouses and that, at times, it was being held up in Whitehorse. Perhaps the Minister should be looking at the system as opposed to mispending \$900,000 or \$1 million of taxpayers' dollars for a building we do not need, except to store the infamous South African wine; \$20,000 worth, in this particular establishment, and I quote from *Hansard*.

I want to move to the next area of the motion which is very important, and I hope all Members take it seriously. It is the question of financing to communities under the *Municipal Finance Act*. Now, the Minister is going to stand up and tell us that it is your act and that you put it in, and blah, blah, blah. I admit that. I recall the debate on the *Municipal Finance Act*. The present Minister, who is responsible for it, agreed unanimously to the concept and the principles in that particular piece of legislation, full-well knowing and understanding that there may have to be changes. The problems in one particular community of the traditional, conditional transfer of dollars, were brought to my

attention with the community of Watson Lake. I wrote to the Minister on February 6, 1986, putting to him another option that could be utilized as far as that particular formula was concerned. I was being constructive, and did not mention it publicly. I stated at the end of my letter and I will read this for the record, and will table this documentation so all Members have possession, and I quote, to Mr. McDonald, "I want to assure you of our support in quick passage of any amendments required at the next session if a solution can be reached between the Government of Yukon and the communities. Awaiting your reply..."

I am very disappointed. All I have had is an interim reply — I guess from the real Minister — from the Special Assistant saying that it was being taken under advisement and they were very happy to receive my correspondence, and I am sure it was put on file. I am here to say I put this particular suggestion forward seriously and that is one of the reasons I am here today. I want an answer. So does Watson Lake, so does Mayo and so does Dawson City. They need an answer. We are talking about April 15th, as the Member for Dawson City well knows, for striking the percentage rate. We are looking at a significant amount of money that is lacking because the government refuses to act. They talk about their municipal capital block funding, which we have not even seen the legislation for. By the time we see it and have dealt with it, the percentage required to be struck by the municipalities will have been done. The damage will have been done. Should we wait here and see time go by and say we cannot do anything about it? We can do something about it.

²⁷ We can make changes to legislation. I want to bring to the attention of this House that we do not have to amend legislation, just so that the Minister of Community and Transportation is aware of it. In the same act that he was party to, and that he agreed to approximately three years ago, under section 16(1) it states as follows — and I want to quote for the record because I think it is important to realize that the Minister has the legal right to make necessary moves if he sees fit — on page 50, Section 16(1): "The Commissioner may, at any time, in accordance with this section, pay to a municipality an extraordinary assistance grant where the municipality faces extraordinary financial difficulties."

"(2) No extraordinary assistance grants shall be paid to a municipality unless the municipality files with the Commissioner a detailed proposal satisfactory to the Commissioner, setting forth the plans of the municipality for the rectification of the difficulties in respect to which the grant is to be paid."

This is under the caption of "Extraordinary Assistance Grant".

It would seem to me, and I think all Members of the House would agree, that this is a very important section. I think that if the Minister and his officials were doing their job and working with those communities, such a proposal could be brought forward. A very good case could be made by those communities in order to see a transfer of dollars to their particular treasuries so they do not run a deficit or, conversely, increase property taxes, which I understand is probably the direction they would take. They would have no choice, as I understand it, but to move in and raise property taxes in those communities.

I think that is unfortunate. I do not think those communities should be put into that particular situation. I think it would be irresponsible of us, as legislators, to do that. We have a government here that has brought in tax measures already.

The Government Leader says voluntary tax measures. It is liquor and tobacco. He has brought it forward. Now we have, indirectly, other communities facing tax increases.

This should be seriously considered, and action should be taken by the present government. They should not be sitting back resting on their laurels saying I believe the new legislation that we may be discussing, it could be in May, will solve the problems for 1987-88. We have to deal with 1986 and 1987. That is what those municipal councillors are facing.

On top of that, I am informed that the budgets that have been submitted in those communities are such that, even with these dollars I am talking about being transferred, there are various services that are not going to be able to be provided in the coming year because of the financial situation of the communities.

I use, as an example to the Minister of Municipal and Community Affairs, Watson Lake, where there will be no mosquito control for that community if the present budget comes into effect. There is an open question mark in that community as to whether or not they will be able to afford to run their swimming pool. There has been no advancement on the community plan because of the financial situation they face.

Dawson City, I understand, is very similar. They are in a situation where, unless they raise taxes to meet their budget, they will have to cut as well.

Or, they may have to cut expenditures and raise taxes. It is very serious. It is no laughing matter. You look at the community of Mayo, when it was dear to the heart of the present Minister. I would like to point out to him that in the correspondence and I think it should be read for the record, "Dear Piers: Municipal Operation and Maintenance. Enclosed is an adopted annual budget for 1986. Each year we are finding it more difficult to come up with funds required to maintain an adequate level of service. To raise our revenues we have incorporated business licences, increased recreation user fees, cut spending and attempted to increase rental fees."

"The curling club rental has been increased to the point that they are expected to close their operation."

That is how serious it is. "User fees are increased to the point that we now expect to lose those who are users of our facilities to other places", clearly not a desirable reaction, "as our operation should meet the requirements of the community. Over the past few years it has been a steady slide backwards. Maintenance has been cut to the point where we are now faced with major expenses to just bring the various systems back to standard. Our recreation facilities, with the exception of the arena, are old and will soon require replacement or at least major renovation. Repairs are needed that would extend the life of these facilities until such time as they can be replaced."

"Previous to incorporation, the government of the day lowered the tax in Mayo to 0.50 percent. They then followed through with incorporation. The new Village Council was given the choice of either raising taxes — 0.50 being the lowest in the territory by some 0.25 percent — or suffering the lowering of their grant. The response was to raise the tax rate to .72 percent. As this was done only last year, the council recommended that it would be very irresponsible to apply another hike in order to correct what was an error of the senior government in the first place."

I acknowledge that. When you look at it in historical terms, perhaps certain steps were taken that should not have been, but that is not the issue of debate today. We are talking about the transfer of dollars to these communities in 1986-87. "We have found that we do not receive sufficient funds of municipal grants to provide services to the Village of Mayo. With the present funding plus other revenues, we are forced to do the minimum maintenance. There is no provision for increasing the services we provide. Therefore, we are forced to draw from our surplus in order to meet the requirements as well as to raise our portion of the capital program. It is clear that we will not be able to continue using this type of bandaid. It is our opinion that the municipal grants are not equitable. The formula for the municipal operating grant should be reviewed and the grants increased."

"We do not intend to pass the buck by further burdening the people of Mayo by another increase in property tax. Rather, we look to your government to correct an error of the past."

As I explained, the *Municipal Finance Act*, was an experiment when it was introduced. It was a piece of legislation that was put together with the best known figures that we had at that time to try to come up with an equitable formula throughout the territory. The Minister said he is going to change the assessment. When is he going to change the assessment? It is not going to apply for 1986-87. Not only did Mayo experience an increase in property taxes, but Watson Lake did last year as well.

The Minister of Community Affairs and Transportation voted for the new assessment act when it was passed in this House. What we had was a situation where there were significant tax increases to the property owners in both Mayo and Watson Lake. Now, because of the lack of action on that side of the House, there will be another

burden.

²⁹ That concerns me, because this party has a political belief that one of the most important social elements of our society is private ownership of your own home. I am concerned that that side of the House is looking at indirectly increasing the costs, once again, to the individual, the couple, the family that has committed themselves to Yukon by making one of the most major investments in a lifetime, and that is in a home. I ask you why, when you see an expenditure of \$900,000 going to a facility, as I have indicated and clearly dealt with, which is not necessary, because that is the taxpayers' money, not the Minister of liquor's.

I would have a serious look at an expenditure of that magnitude which is directly affecting the electorate of Yukon, a great number of the people of Yukon — as I say, the salt of the earth — the people who own homes and businesses.

I wanted to go further and give to the side opposite some very constructive observations. I refer now to the question of Dawson City and the Territorial Administration Building that has been so poorly handled by the side opposite. I said to myself, "That \$900,000 to \$1 million has got to be money left over." The Minister of Government Services of the day indicated that, from an aesthetic point of view, he did not want to make any moves. But the inference was that money could not be found. I am very pleased to present to the House where I have found the money; I have found the money to finish the job in that facility.

I think all Members unanimously agree that that particular facility should be renovated. We started the process of renovating that particular facility when we were in government. I am pleased to see the government carrying on, but there are things lacking. Very silly decisions are being made concerning that facility that the people of Dawson and the territory, and tourists are going to pay for. I am referring to the insulation. I have never heard anything so silly as saying, "We are going to put two inches of insulation on the building."

At the same time, the same government has employed individuals here in town who encourage people, rightfully so, to borrow money under the SEAL Program in order to renovate their buildings so they use less energy in the winter time. That does not make sense. If you were to go to your constituents in Teslin, they would say, "Geez, that is stupid."

I believe there are finances available to do that renovation. I concur with the Minister in that, perhaps, it is not a requirement to do it throughout the building, but leave that portion of the building that will be closed for the winter months. But there are offices that will be utilized over a twelve-month period, number one. Number two, there is a courtroom that is going to be utilized on a circuit basis. The choices they will have in using that facility is to either bring their parkas, or turn up the heat. Turning up the heat is going to cost the taxpayers of Yukon more money.

³⁰ I say to the Member for Klondike, and I am looking forward to his comments on this, would he not concur with me that some of the money from this liquor warehouse, which happens, incidentally, to be in a Whitehorse riding — no partisanship on this one — should be reallocated to do a facility of that kind.

The other area that really concerns me is fire. Are we meeting the code? And, moreso than the code, does the Dawson City firehall and the water system have the ability to meet a major fire in that facility.

I am pleased to see the Member for Tatchun here, because I am sure he will concur with me when he hears what I am going to quote. I have no reason to doubt that this is inaccurate. Maybe the Minister of Community Affairs and Transportation can clarify the situation when he votes for this resolution.

I quote, "Mayor Peter Jenkins says, 'The sprinklers are important because Dawson City cannot combat a fire in the large wooden structure and he does not want to risk losing a key historical building to a fire.'" — a very legitimate concern. I am sure that the Member for Klondike would share that concern.

I quote again, "Jenkins said, 'Dawson has been told by the federal or Dominion fire marshall that two-and-one-half times that would be needed to control a serious fire in the building if it does not have sprinklers.'" But the most damaging statement for the

government, and from my point of view as a taxpayer is this, "Larry Hipperson, the territory's fire marshall, agrees with the concern and said that he made a pitch for sprinklers when the renovation plans were being drafted."

I argue that the building should have sprinklers. It is a large building and, frankly, it is beyond the fire department. That is very important information, when you consider that you have asked this House to put \$2.9 million towards that particular capital item. The government, the representatives of the people, should be setting the example, but they are not doing everything they possibly can to protect life, the building and the artifacts.

They will stand up and say, "What about our wet system? You know, it would ruin the artifacts." I think the Minister of Government Services said that. I have a solution for the Minister. I am sure you guys are very happy that I am in such a cooperative mood. What about a dry system? That can be put in. Perhaps it is not as good as a wet system, but a dry system could be installed for, I understand, in ballpark terms, between \$150,000 to \$200,000, maybe less.

I have found the money for them. I did not have to do a lot of research either. It was there before me and I could say to the side opposite, "Here is the money; here are the problems; here are the solutions." I hear so often from the other side that we do not bring solutions forward. I am saying to the side opposite, very seriously, that there are some options available. I find it ridiculous that we are going ahead with a \$2.9 million capital investment and then find out that we are not providing what everybody would normally think is going into that facility — especially when it comes to fire. It is incredible.

I want to give the Members opposite their accolades. I understand, last session, when I raised the question, when the government was going into the cafe business, that they take another look at it, and now I understand it is a muffin shop. I am very pleased to hear that. At least there was some serious consideration given to the constructive representation that this side made in the best interests of the community we serve.

It would seem to me that the government is putting themselves into a predicament if they proceed according to the plans they have, where they are going to be very soundly, publicly criticized, not one day, not two days, but forever, in the community of Dawson City.

³¹ We have to provide adequate insulation so that people can work there in a comfortable setting, at a very low energy cost. We also have to look at it from the point of view of fire.

I hope all people will take what I say in the way it is being presented. If you want to add other communities, perhaps another area where some of this money could go, I would be more than prepared to consider it. I beseech my colleague for Tatchun, and the Member for Faro, to seriously consider the motion. Perhaps we could have this government listen and listen carefully. They are so fond of saying publicly that they listen to the people and they want democracy to work. This is democracy in action, in my opinion.

I believe I have brought forward a legitimate problem but, just as importantly, and I think it is my responsibility, I have brought forward a solution to that problem.

Applause

Hon. Mr. McDonald: I really, truly do enjoy the Member for Porter Creek East's style when he presents a motion like this to the Legislature. I really, truly do. It takes a full 40 minutes, nothing less, to put his foot in his mouth. If he cannot get it in all the way, he manoeuvres and wriggles and makes sure that there is room for that foot and perhaps both feet.

The Member said that he did not do a lot of research, but he has some commonsense solutions here to some commonsense problems. There is no substitute for good research, and for that reason I would just like to bring a few matters to the Member's attention to help clarify the situation so that all Members can understand exactly what it is we are voting on, the problems to which the Member has referred to, and the practicality of the solutions that the Member has mentioned.

The last time the Member submitted a motion such as this, a

thinly disguised motion, which was really meant to discuss the liquor warehouse, or to sneak in a non-confidence motion on the government by looking at reallocation of funds, he wanted the Legislature to take some funds and build two firehalls in Dawson. It was the most ludicrous proposal that I had heard. Dawson had not requested two firehalls. There was no need for two firehalls. We had already budgeted for an improved firehall; nevertheless, the Member wanted us to remove \$1 million or so, \$900,000 I believe it was at the time, in order to build an extra firehall in Dawson, which would have O&M costs, and we would have to staff it, and all that sort of thing. It was not good budgeting practice. It would have been absolutely irresponsible.

I understood the intent of the Member's motion. The intent of the Member's motion was to sneak in some discussion on the liquor warehouse. Under the present circumstances, I can understand that that would be the same reason. As I am about to illustrate, the direction for which the Member wants to spend the money is equally ludicrous. I will analyze the problems for the Member in a factual way — this will be something new for the Member — and it certainly will be news to the people in the House who have been listening intently to the Member's comments and, perhaps wrongfully, assuming that what the Member was saying was, in fact, reality in Yukon. For the new Members, of course, that might be a mistake that they may be prone to make.

I would just like to clarify a couple of things. Firstly, we want to see a redirection of some funds to Dawson City, a total of \$81,000. This is \$81,000 we want to give to a city in the territory, which has just submitted a balanced budget.

The City of Dawson has not projected a deficit this year. The City of Dawson has, in fact, not indicated to me, either when I was in Dawson recently, or to the department, that they are hurting at all, really, on the O&M side. As a matter of fact, they have been able to amass a considerable reserve over the last few years, partly as a result of the fact that they have not been paying some bills to the Government of Yukon. The Government of Yukon has shortly ignored. That reserve has generated funds which has helped the City of Dawson improve services.

Essentially what we are talking about here is a reallocation of funds to a city which has not requested it, nor needs the funds. That is a serious matter. We have just, in this Legislature in the last few years, developed a formula financing arrangement with communities so that when their revenue generating potential declines dramatically, we have an O&M deficit grant to make up for that shortfall in funds.

What we are suggesting here is that we should give, gratis, to a community, and he is mentioning Dawson City which has balanced its budget — there are other communities in the territory that have balanced their budget, and no suggestion here that maybe a commensurate payment of \$81,000 should go to all the other communities — a grant of \$81,000 that they have neither requested, nor need, to balance their budget.

Rather than amending the motion to give all communities \$81,000 in order to balance their budgets, which they do not need to do, perhaps we should amend the motion to delete Dawson City, Watson Lake and Mayo, because I will refer to Watson Lake and Mayo in just a moment.

Mayo submitted a provisional budget, which showed a projected deficit. They have, as the Member mentioned, made some hard decisions with respect to their deficit, as good responsible politicians do, in order to resolve their income versus necessary expenditures. The Member, almost witlessly, read into the record a letter to me which, essentially, laid the blame for their current financial troubles on the previous government.

I realize that when the Member was reading the letter he suddenly cottoned on to the fact that the Mayor of Mayo was laying full blame on the previous government and had to do a fast backtrack, a real fast backtrack. It was fancy footwork, to say the least.

³³ I brought that same concern to the Member's attention while he was Minister and I got absolutely nowhere. Prior to the 1982 election, the government of the day told the community of Mayo they should not raise taxes, they should decrease taxes, and they promised that after the election a make-up grant would be paid to

the community in order to cover their expenses. The ruling government of the day lost that election and did not live up to its commitment, as expressed by the current mayor of Mayo, to pay that make-up grant. They are concerned that the previous government, at a time when the Member who just spoke was Minister of Community Affairs, put them into an untenable position. They would like this government to extricate them from their problems.

The Member opposite is never going to be able, while he is a Member of this House, to extricate himself from his own record as Minister of Community Services. Never will he be able to do that. I will take responsibility for actions that happen during my tenure and the prior Minister will take responsibility, and always will as far as I am concerned, for actions that he has taken in the past as Minister of Community Services.

The arrangement that Mayo is complaining about is put squarely on the shoulders of the previous government and the Member who just spoke. When I was a Member of the opposition, I listened carefully to the Minister of the day and put trust in his words. Since I have been in this position, my faith has been shaken in his ability to understand municipal finances. It certainly is shaken by the appearance of this motion on the Order Paper.

With respect to Watson Lake, I would like to clarify that they had made an application for boundary expansion. The only time the municipal board has sat, it went to Watson Lake to review the boundary expansion. It was made clear to Watson Lake that they could expect \$70,000 in revenue-generating potential as a result of the increased boundary expansion. Resulting from that increase in projected tax revenues, the increased assessment base and tax increase, was an unconditional grant decrease worth \$35,000, leaving Watson Lake with a net increase of \$35,000. It is, therefore, unfair to blame the O&M problems that may be experienced by a community on the deficit grant. In Watson Lake's case, we see that their revenue-generating potential has increased by \$70,000 and the deficit grant has only decreased by \$35,000.

³⁴ The communities, apart from Watson Lake, to date, have submitted balanced budgets. All of them. The need to change the O&M deficit grant appears to be less severe. I have travelled to all the communities recently. I have engaged in extensive consultations with community governments and I have undertaken to provide some remedial action to the concerns expressed by the communities in terms of the O&M side of their operations.

One of the actions that the Members will all be interested in, given that the O&M budget has been tabled, is that the government has undertaken to provide an increase in the deficit grants to communities to the maximum allowable limit under the act: 7.9 percent. That is the maximum allowable limit under the *Municipal Finance Act*, which the Member admitted he helped parent.

Not only are we providing remedial action, we are going to be submitting a bill to this Legislature which will allow for capital block funding for communities, and we are seriously looking for the support of the Member for Porter Creek East in this matter, which will allow the communities to determine their own futures with respect to what projects go within the resources available to them on a fair formula basis. What this will mean, for members who do not know, is that no longer will those same communities be required, in their O&M budgets, to support capital projects on the same cost sharing formula that is currently necessary under the *Municipal Finance Act*.

The future will see that communities can now use their O&M budgets for purely O&M related expenditures. They do not have to find \$50,000 to cost share five percent or 10 percent of a project. They do not have to find a total of \$100,000 or \$150,000 in order to cost share their portions of capital projects in their communities. They can use those funds for O&M purposes. That is a significant benefit to the communities.

There is a provision in the act, which I hope will be given the whole-hearted support of the Member for Porter Creek East, for a transfer of capital to O&M. This demonstrates our faith in responsible government, local government that decisions should be made by local people about local conditions. That is another significant area where we are providing real action to resolve community problems.

³⁵ For those Members who are not familiar with this, the assessments are done in the communities once every three or four years. When assessments rise dramatically, increasing the revenue generating potential for communities dramatically, then the O&M grant drops dramatically. Sometimes communities have difficulty in resolving that wild fluctuation every four years. In some cases it is a wild fluctuation, in other cases it is pretty small. We are primarily concerned about the wild fluctuations.

We think we have found a responsible and reasonable solution to that particular problem, and I am happy to say that if it can be done in the near future, we will certainly do it.

I canvassed the AYC members over the course of the last few months, and I suggested that if they felt strongly about it, rather than provide an ad hoc situation, community by community, because a number of communities seemed to be expressing some concern with the O&M deficit grant formula, we would consider a change to the formula. What would really help things along the way would be for the Association of Yukon Communities to express themselves clearly on the matter. We respect that particular organization as being representative of all the communities, apart from Mayo. We have had bilateral negotiations with Mayo, because they are not members.

The matter did come to a head at an AYC meeting and, unfortunately, I guess, for the Member for Porter Creek East, the proposal to change the formula in any way whatsoever was turned down by the Association.

We have done a great deal to resolve the situation in the communities. We respect community government. We believe in block funding, O&M and capital. We are not going to ignore the principle of block funding every time a community claims, in submitting its provisional budget, that they are going to project a deficit. It would be silly for us to do that.

The first time a government provides funding outside the existing formula grants to communities, every time they do that, they are striking a blow against local responsible government.

This government is not going to participate in that kind of activity. There are communities that have balanced their budgets. Are we going to reward those communities that do not balance their budgets by giving them a grant right off the top, as the Member for Porter Creek East suggests? And, are we going to penalize those other communities by giving them nothing because they have done the responsible thing and balanced their budgets? I do not suggest that that is a responsible course of action to take at all.

That is what the Member for Porter Creek East is suggesting in this motion. I think, if Members understand what this motion is all about, that it is really a motion to discuss the liquor warehouse, and we can allow all this other unresearched fluff to just drop away from the motion. I can allow the Minister for Government Services to respond to some other accusations that the Member has made, and perhaps he can demonstrate how well researched those accusations are.

³⁶ This government is not going to provide Dawson City, which has not requested any assistance, any extra assistance and alienate all the other communities in the territory.

I have mentioned the situation as it affects Mayo and Watson Lake. I have made it clear what this government is going to do with respect to providing remedial action. It is consistent with the principles of our belief in local, responsible government. We are going to stick by our guns in the face of some severe pressure to work outside the formula grant. Now it is O&M. Presumably in the future it will be capital as well. Every time there is a pet project for an MLA, we are going to be asked to just drop the capital grants and fund that project or this one. Perhaps the Member for Porter Creek West might want to comment on this because he has already made representation that the Government of Yukon should be dealing with municipal matters such as fixing Porter Creek streets.

Incidentally, I did pass on the concerns of the Member for Porter Creek West to the city government and they are going to take that Member's concerns under advisement.

We believe in local, responsible government. We are going to stick by our guns. We believe in block funding, capital and O&M. It is going to mean a tremendous difference to community

governments who will be responsible for their own budgets. They can do it on a formula basis, which means it is fair to all the communities. Any changes to the formula will be agreed to. Changes to the formula will be agreed to on a cooperative basis. We are doing the right thing. We are taking the right course and I think rural Yukon and the City of Whitehorse applaud our efforts.

Mr. Coles: I did not think it was possible. I really did not. The Minister just stood here and spoke to us for as lengthy a time as the Member of Porter Creek East and said just as little or less. It is totally amazing and baffling.

We are not going to support this motion, but for a few different reasons. I would think that the \$1 million that is going to be used for the new liquor warehouse probably could have been spent in many different ways, which could have been of more benefit to Yukoners. I think that, if I was the Member for Porter Creek East or Porter Creek West, I would have put this motion forward but, perhaps, this money could be used to chipseal the streets in their ridings and, perhaps, do something constructive within their own ridings.

It could include the streets in Dawson Streets, but the Member for Dawson did not want to amend the motion. The Member for Porter Creek East said he has left the offer wide open. I think we would need a whole new motion to properly amend this motion, because there are many communities in this territory, some organized, some not, that definitely do need the money for recreational facilities, for streets, for street lights or whatever the case may be. To go through and amend the motion properly so that it would benefit all the communities that need the facilities, would probably be just too much work. There would be no motion left.

Liquor facilities are needed all throughout the territory, in places like Pelly Crossing, where there is an extremely dangerous problem with people driving back and forth to Carmacks and Stewart Crossing to get their liquor, a problem with impaired driving, alcohol abuse, and bootlegging. I think that the \$1 million should be split up among the smaller communities.

³⁷ The two Members who spoke previously have already said everything that can be said on this topic, it is totally exhausted, and we will not be supporting the motion.

Mr. Nordling: I would like to thank the Minister of Community Affairs for bringing my concerns to the attention of the municipality. The portion of this motion that interests me the most is that there was almost \$1 million allocated for the extension of the liquor warehouse in Whitehorse. I do not know if our population has increased that much, and I find it hard to believe that Yukoners are drinking that much more.

I believe that the money would be much better spent in the communities, perhaps all of the communities, to help keep taxes down and to provide recreation facilities.

A major concern of mine is the preservation of one of the most important landmarks in the territory, that being the Territorial Administration Building in Dawson City. I would urge all Members to support this motion and would hope that any monies not expended to help the communities, or on the sprinkler system, would be used to help combat the alcohol problem in the Yukon.

Hon. Mr. Kimmerly: I will address the two issues raised, the liquor warehouse and the old Territorial Administration Building, as the issue of municipal financing has been clearly and adequately and, indeed, exhaustively addressed.

First of all about the liquor warehouse: the allegation was made that at first this was a make-work project, or described as a make-work project. The intention of the government is not exactly a make-work intention in this area but a stimulative one of capital construction, similar to the new law centre and Yukon College, which were described by the government of the day, when they were announced, in exactly the same terms. This project existed in the previous government's five-year capital plan.

We were able, because of the consideration of the need for the facility and the financial position of the government at the time being relatively healthy — due to formula financing — and because

of the severe unemployment situation in the territory at the time, to bring this project ahead for the 1986-87 year. It was absolutely clear that it was a project that would occur in one year, certainly in the next several years, and the timing was right to bring it forward this year.

³⁸ The process of estimating expenditures, as the Members across the way who were previously in government well know, is that an estimate is arrived at in a rough way concerning the concept of the building. After that, approval in principle is given, detailed drawings are made, and it is possible to make a more precise estimate of the cost at that stage. The third stage, of course, is after the drawings and the budget is established, after the tenders come in, or the other bills as well. Then the financial picture is clear.

Because the general policy of the government, as it would be for any government, is to economize where possible, and because of the concerns raised across the way and, indeed, my own concerns, I gave some attention to this matter after the Capital Budget was passed.

I am very pleased to be able to tell the House that, because of looking at what economies can be made, there are some economies that will be made and the \$1 million figure is now way out of line. It has not increased, it has decreased. I have information from Government Services that the estimate, after the preliminary drawings, after being careful as to the need, are now \$600,000, a saving of \$300,000 from the original estimate, which was a less precise figure. That is the figure that the government is now looking at. The process is not absolutely complete, but that is what we are looking at now.

In consideration of the need for the warehouse, we have considered various factors. This debate is largely a repeat of the previous budget debate, and I have given these before; however, I will be relatively more complete at the present time.

It is worthy of note that the liquor warehouse in Whitehorse has not increased over the last 15 years.

³⁹ Statistics are available over the last nine years and product listings and sales have increased by 70 percent. Indeed, in March of 1984, we had 482 product listings and, in March of 1986, we have 670, an increase of 39 percent over that two-year period.

The volume increase has been approximately five percent per year and we are expecting that the volume increase, concerning the Whitehorse liquor warehouse, will be approximately five percent over the next few years.

In addition, the liquor warehouse space that existed 15 years ago has decreased. Two thousand, five hundred square feet of the space existing 15 years ago has been used with the addition of a keg cooler, a can crusher and office renovations. Those renovations have occurred and gone into the old space.

The policy of returning bottles is in place, and it is estimated, reliably, — and this is an estimate over various corporations around the provinces — that the introduction of the tall bottles over the stubby beer bottles, as they were affectionately called, has increased the beer warehousing space by 20 percent. That is for beer. And, of course, the number of varieties of each has increased.

It is also interesting that substantial savings can be made for haulage and a stimulation to the local economy can be achieved, and is being achieved, by using the marine haul over an all-road route from Vancouver and southern centres. That was the case since the closure of the White Pass Railway.

⁴⁰ We now use the marine haul at a substantial saving, but there is an impact on warehouse space.

There is now a safety concern in the liquor warehouse, due to the lack of space. We have determined, as was determined prior to the Capital Budget, that an additional 7,500 square feet of space is entirely justified. In addition to all that, I have had consultations with the hotel industry concerning the supply of liquor and I have received complaints about the availability of the brands at the Whitehorse liquor store. Those complaints can only be adequately addressed if we have some increased storage space.

In addition, it is perceived that an introduction of 40 ounce bottles of liquor is desirable as a service to the public and the hotel association, or the purveyors of drink in licensed establishments.

We would like to do that as soon as possible. The stocking of various sizes of bottles entails a larger space.

In addition, we are looking to the policy of returning or crushing the liquor bottles and wine bottles, which will also involve more space.

I am taking some time, for the benefit of the Member for Porter Creek East, because he has, in a cavalier and a partisan way, simply said that this warehouse is not necessary. There are legitimate and lengthy reasons to provide the proper service to both the liquor retailers and the consuming public in Whitehorse. The trend to supplying a greater variety in the liquor stores, the greater choice is a policy that we will continue as the consumers are obviously in favour of that policy. The increase in sales of specialty products over the past years, especially the wines, attests to that.

⁴¹ Concerning the building in Dawson City, it is interesting that we politicians occasionally think we know the answers to very technical questions. I am able to inform the Member for Porter Creek East that the question of sprinklers was addressed by many meetings of engineers and various experts in restoration, was discussed by the Dawson City liaison committee of the Dawson City Museum Historical Society, and there was general agreement as to the appropriateness of the sprinkler system. It was the consensus that sprinklers are inappropriate for that restoration.

Were we building a new building, we would clearly put in a sprinkler system, but this is a restoration function. The technical people have considered various possibilities, wet sprinkler systems, dry sprinkler systems, sprinklers only in the hallways but not in some areas, sprinklers in the areas slated to be heated all year, but not in other areas, and the like. The consensus is that it is not desirable. Parks Canada and the Yukon Heritage Branch and the Dawson City Museum Society, I am informed, are clearly and emphatically of that view.

The cost for putting in a sprinkling system, incidentally, is estimated at \$250,000, and the insured value of the building will be \$700,000. That may be a consideration for the taxpayers. I certainly think so.

The installation of the sprinkler system is generally not included in a restoration project. The experts here considered it substantially and rejected it in Dawson City. It is useful to note that sprinkler systems are not for the safety of lives; they are in fact not instrumental in saving lives. The important factor there is primarily the alarm system, and we have the most up-to-date and efficient alarm system possible and, of course, the traffic pattern in the evacuation ability and evacuation plans, which are well looked after in this restoration.

⁴² Concerning insulation, the technical people advise me that they ran various plans through a computer model. In the area where the museum will be, to put in additional insulation would not be paid for in excess of 20 years, considering electrical heating costs at the Dawson City rate and the projected increases over the next 20 years.

However, it is obvious to everyone living in the north, that more insulation is better than less. That is an area that can be looked at and double-checked. It simply appears obvious that when restoration is being done that is the appropriate time to install insulation.

I recognize that I have gone on at some length, and I have purposely been factual as opposed to inflammatory and political. I would look forward to a repetition of the first speech from the Member for Porter Creek East now.

Applause

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

Mr. Lang: I listened with a great deal of interest to the comments made by the now Minister of Community and Transportation. I want to go on the record again, in this House, to point out to the media, and the public, that the present Minister of Community and Transportation is one Mr. Piers McDonald. It is not Mr. Lang from Porter Creek East. Everytime I stand up to ask a

question, he says, well, but you did this. I fully admit that. I have not a problem standing up in this House and saying, yes, I did bring forth the *Municipal Finance Act* in conjunction with the Association of Yukon Communities.

The Minister has been there for 10 months. The reason there is a political arm of government is for change, some good, some bad. I am saying we have a problem. The taxpayers have a problem. I notice in his dissertation he sloughed over Watson Lake and he sloughed over Mayo awful quick. I just want to go on the record that it is very interesting, when you take a look at the 7.9 percent increases in unconditional grants under the formula, and when you start comparing the notes, to see who went down and who went up. I recognize that there are reasons incorporated in the formula. That is why I am saying that there should be change.

43 The Member opposite is saying that there should not be change. Therefore, I brought forward what I felt was a valid alternative: transfer some money to those municipalities to keep those taxes down. The Community of Faro went up from \$347,000, in 1985, to \$423,339 in 1986; a substantial increase. Yet, communities such as Watson Lake, which received \$152,078, is, this year, receiving \$117,887. There is an inequity. Why would the Community of Faro get such a substantial increase and the Community of Watson Lake such a substantial decrease? Something is wrong with the formula.

There are changes that could be made, not necessarily in increasing dollars, but in a reallocation of dollars. The Minister says that the AYC has not brought forward its recommendation. It is totally irresponsible to blame it on the AYC. Yes, the Association of Yukon Communities represents the municipalities as an organization, but the Minister represents the policy of the government. Too often in this House have I have heard that the Minister wants the truckers in Faro to get together with the tourism industry to establish the policies for safety on the roads. It is his responsibility and it is time he started pursuing it instead of wandering around the country being a big wheel.

This is serious. What you people are doing if you vote against this is indirectly increasing the taxes against the communities of Mayo and Watson Lake unless significant further cuts are made. The MLA for Watson Lake and the MLA from Mayo had better recognize that.

I am always more than prepared to admit when I have made a mistake. I was wrong about the deficit in the budget within Dawson City, but they did give a balanced budget with cuts within what they are delivering. There is \$50,000 outstanding from that government that should be going to that municipality, which the MLA from Dawson City was not even prepared to talk about. It was a commitment that was made 1½ years ago. He is shaking his head. He should be proud to be the MLA for Klondike. He should be real proud.

The government services Minister has the audacity to stand up in this House and say that he came in here with \$900,000 and now it is only \$600,000 and we saved \$300,000. Disregarding the principle of whether or not it was needed, he stood up in this House during debate and said to us, as legislators, that it was not even necessary.

44 I quote: on October 17, 1985, as far as this liquor extension is concerned, he said, "It was proposed to move into it this year partially because we had the money this year. It was perceived as needed. It is not absolutely essential, but it will be a facility that will be needed within the next two, three or four years". Now, all of a sudden, he comes to this House with all the justification in the world. Then I was right, you had not done your homework. I question the information provided to this House and the validity of that information in view of what we have experienced so far. I think it is a fair observation. The Member opposite tells me he needs 7,000 more square feet because he had a complaint from a retailer. The MLA for Tatchun pointed out that maybe Pelly Crossing needed some accommodation. I am not going to argue that. Is that figured in the figures we have had presented here? He talks about the marine haul. I want to reiterate that it was years that we used the marine haul when White Pass was there. It is not a new idea.

He talks about savings. Here we are discussing a major increase in the cost of liquor to the consumer, the working guy who likes to have a beer, and he talks about savings because he uses the marine

barge. I have not heard about any savings being passed on to the guy in the Kopper King. Where have the savings gone?

Perhaps I was too specific in the motion. I am more than prepared to have the Member for Tatchun amend it and say perhaps some money should go elsewhere. I am more than prepared to listen to his ideas, contrary to the side opposite, which he is propping up. But no ideas came forward, nothing came forward. It is costing the taxpayers, a mis-expenditure in my opinion, of \$900,000 for these guys to support the side opposite. I did not see this motion as a vote of non-confidence. I would have started out my preamble with that. I looked at it as a motion dealing with very serious issues that are facing the territory, the taxpayers and a major capital commitment that all Members of this House agree that should be done, the Old Territorial Administration Building, as the MLA for Porter Creek East — not the MLA for Klondike — as the MLA for Porter Creek East who speaks so eloquently about it.

I am amazed that I am getting this kind of reception from the side opposite. I have raised some legitimate concerns and have been criticized by the side opposite that I did not do my homework. I do not have a staff of 1,500 people, but I brought forward a lot of facts that had not been discussed in a public forum before. So I am looking forward to the support from the MLA for Tatchun and Faro and then, maybe Tuesday, we can get together and put forward necessary resolutions in the best interest of the public.

Right now we are looking at a waste of taxpayers' money. The irony of the situation is that directly or indirectly that side of the House is increasing the tax rates to a number of communities in the territory.

45 **Speaker:** Are you prepared for the question?

Division has been called. Mr. Clerk, would you kindly poll the House.

Hon. Mr. Penikett: Disagree.

Hon. Mr. McDonald: Disagree.

Hon. Mr. Porter: Disagree.

Hon. Mrs. Joe: Disagree.

Hon. Mr. Kimmerly: Disagree.

Mr. Webster: Disagree.

Ms. Kass: Disagree.

Mr. Phelps: Agree.

Mr. Brewster: Agree.

Mr. Lang: Agree.

Mr. Nordling: Agree.

Mrs. Firth: Agree.

Mr. Phillips: Agree.

Mr. Coles: Disagree.

Mr. McLachlan: Disagree.

Mr. Clerk: Mr. Speaker, the results are six yea, nine nay.
Motion No. 11 negatived

Motion No. 9

Mr. Clerk: Item No. 2, standing in the name of Mr. Coles.

Speaker: Is the Member prepared to deal with the item?

Mr. Coles: Yes.

Speaker: Moved by the Member for Tatchun that the Speaker forward the following address to the Prime Minister of Canada:

Whereas a recent application for funding by the Yukon Indian Development Corporation to the federal government was well-researched, well-developed, and well-studied, and

Whereas this application for funding was approved by the Advisory Council to the federal Minister for Small Business, and

Whereas the awarding of these monies to the Yukon Indian Development Corporation would have been of great economic development to the Indian Bands and the territory in general, therefore,

Be it resolved that this House condemn the action of the Prime Minister and the Government of Canada in denying the application for funding from the Yukon Indian Development Corporation.

46 **Mr. Coles:** As all Members in the House can plainly see and already know from Question Period over the past couple of weeks, we on this side are not too impressed with the actions taken by the

federal government and, in particular, by the Prime Minister, our own MP, and the Hon. Mr. Bissonnette with regard to the funding application of the Yukon Indian Development Corporation.

As we say in the motion, we believe that it was a well-researched, well-developed and well-studied application, approved by four Cabinet Ministers in the federal government, approved by the Native Advisory Board and we can take from a letter I am going to read into the record by our own Member of Parliament, even approved by himself, as he wrote to Judy Gingell, the President of YIDC on October 23, 1984.

I quote from the letter: "I received your letter dated September 11, 1984 on October 9, well after our meeting on October 1. I regret not having the opportunity of pursuing your letter earlier so that I could have been better prepared for our discussion.

The concept outlined by the Yukon Indian Development Corporation is excellent, a necessary vehicle for the investment and management of funds which will be accruing to Yukon native people as a result of the settlement of native claims. I would urge you, as I am sure you do, to regard the concept of a Yukon Indian Development Corporation as a vital need to the future of native people in Yukon. Sincerely, Erik Nielsen.

In another letter, written by our MP on February 8, 1985 to the Hon. David Crombie: "Thank you for sending me a copy of your letter of January 24 to the Hon. Andre Bissonnette regarding the Yukon Indian Development Corporation. Both Andre and you are aware of my views with respect to this application for funding. This matter should receive no further consideration at this time."

We feel, after reading these two letters, that our own MP has done some backtracking and behind the scenes movement that has actually put the kibosh on the application. In June of 1985, when the YIDC officials visited Ottawa for 10 days to meet with representatives in Mr. Bissonnette's office, the conclusion, after the 10 days, was that Mr. Bissonnette, without meeting with the YIDC contingents, said that two components of the application would be acceptable: the purchase of one major business and the supply of financial and technical support to the Indian community corporations, but would need further examination.

After 18 months of waiting and of keeping the YIDC in a flap, wondering if they would ever get funding or if they would ever get off the ground, or if they were ever going to be able to get organized, it was finally turned down. In its final attempt to get an answer from the government, they put a full page ad in the Ottawa Citizen to the Prime Minister of Canada asking for an answer.

We are disturbed that our own Member of Parliament seems to have had a heavy hand in dealing with this and having the application thrown out. We are disturbed that the Prime Minister of this country, who has committed himself to the furthering of the livelihood of Indian people of this country, has taken this type of action against the Indian people in the territory and, therefore, this is the reason for our motion and we hope everyone in the House will support it.

Ms. Kassi: I arise to support the motion before the House at the present time. As hon. Members will notice, I served notice of motion on the same topic. Our rules insist, however, that opposition motions be debated before motions from government Members, and so this motion is before us now.

⁴⁷ I should point out to the mover of the motion that I am not upset with the fact that his motion on this topic came before mine. I am glad to see his concern on this issue.

I know for a fact that aboriginal people all over the Yukon, and many non-aboriginal people as well, are disappointed that the application by the Yukon Indian Development Corporation was rejected. I think people are also upset with the way the YIDC was mistreated. If we are to believe the letter of February 8, 1985, from Mr. Nielsen to David Crombie, then the YIDC application was really rejected more than a year ago, but it took another 12 months for the federal government to announce their decision.

I wanted to know more about the reasons for rejection, so I placed a call today to the office in Ottawa of our Member of Parliament, the hon. Erik Nielsen. I talked to three different women, and then was told Mr. Nielsen was busy, but I would have

to talk to somebody else. In absence of this sort of information from Mr. Nielsen, I reviewed the YIDC information available to me. What I found is that, in essence, there is no good reason why the application was rejected. What the YIDC deserves and, I believe, is still waiting for is a thorough explanation as to why the application was not approved. They went to a lot of trouble to put together the application and to satisfy all the bureaucrats along the way about its suitability and eligibility.

I think the YIDC is still at a loss as to exactly what reasons are behind the rejection. The application was for \$9 million in funding, and would have created over 250 jobs over a period of five years. This would mean a payroll in the Yukon of an extra \$6 million, a really big boost to the local economy. Moreover, the proposal would have led to the establishment of 121 community-initiated businesses, more small businesses in the Yukon, especially in our rural communities.

Each of those businesses alone would have created an additional one-and-one-half jobs apiece on the average. We need this kind of economic development. In my village, for example, we need businesses to do all kinds of work, such as logging, mechanics, wilderness guiding, carpentry, management and other services.

If each of the 121 new businesses was essentially an owner-operated type of business, there would have been an extra 181 jobs created as a result. There is no denying the need for more jobs in our communities. I think the fact that Indian people want to do it themselves is admirable, and worthwhile of support of all Members in this House, and all Members of the House of Commons, for that matter.

What we have as a result of this rejection is a decision by Ottawa to not give people a chance to establish a business venture and to create employment and a better life for our people. Let us not ignore the fact that in many Yukon communities where there are a lot of native people, there are also a lot of unemployed people. Unemployment runs as high as 75 percent in some communities, or even higher. This, in turn, leads to social problems and a vicious circle of problem after problem for many individuals, especially the young aboriginal people in our communities.

In the villages we find that, because there is no training, there are no jobs. It can be a pretty bleak existence. The YIDC was trying to do something about that, just as this government is, and Ottawa said no.

⁴⁸ What we have is a decision by Ottawa to deny Yukon aboriginal people important opportunities for training in business, in management, in skills we need as a people and as Yukon residents to grow and develop and contribute to this society. The YIDC's proposal would have trained 140 people. This is especially true in our rural communities. Very few aboriginal people own and operate their own businesses and the YIDC proposal would have overcome that.

What are the reasons for this? Basically a lack of training and a lack of money. We need to change this. I think all hon. Members will agree that although it is sad it is true that Indian people, especially in the communities, are not as well educated as other Canadians. This is changing, but it is true. It is harder, for that reason, for them to get the training they need. It is harder for them to successfully operate a small business, even though they may know the business subject very well. What the people need is training in operating a business, and they need training for their employees, including my Village of Old Crow.

The other main barrier is money. It is a fact that Indian people are less well off than non-Indian people, especially in our rural communities where work opportunities are fewer and generally we have more poverty. When an Indian person wants to start a small business, they may be very skilled and very capable, but no bank is going to loan them the money they need to get started because they have no education or experience at running a business and no money of their own to put into the operation. I might add here that we do not even have banks. The Government Leader referred to this problem yesterday.

These are substantial barriers to Indian people, to rural Yukoners, that the YIDC was going to help overcome. Through training and through financing, they would give people the chance and support that no bank would give them. The Yukon people would benefit.

They would increase activity, increase spending and increase the number of jobs in our communities.

It would mean substantial overall social benefits as well — a general increase in the quality of life for those directly affected, but also for the Yukon overall. This is what was denied and this is what upsets me about the decision. There is no question that the YIDC application was solid. It was praised and used as a model by the people at the Native Economic Development Program. Twice it was approved and recommended by the advisory committee whose advice the Minister was really supposed to follow. It was even approved by four federal Cabinet Ministers.

There is no question that the investment by the taxpayers of Canada would have reaped great dividends and would have led to the creation of a lot of new wealth here in the Yukon, not just for Indian people but for us all. This would mean a benefit to all Canadians and would have meant a good investment by the taxpayers of this country. It would have paid for itself.

Best of all, a favourable decision would have meant a greater sense of pride, of self-worth, of achievement toward self-sufficiency among the aboriginal people in the territory, and that is a boost to our society that we all would have benefitted from. I agree with the motion that we should send a message to the Prime Minister and I would ask all hon. Members to join in voting for this motion.

⁴⁹ **Mr. Phelps:** I would like to congratulate the Member for Old Crow for her speech. I want her to know that Members on this side share her concern over the plight of her people at this time. This party wants to see the Yukon Indian Development Corporation obtain the funding, so that that body can get on with its work of creating jobs and economic development for Yukoners and, in particular, Yukon Indian people.

We sincerely want to see Yukon Indian people moving soon, steadily, starting now, in the direction of economic self-reliance, and those are goals that are shared by many, many Yukoners, I am sure, both Indian and white, of whatever political stripe.

I thank the Member for her comments. They were heartfelt. They were serious. We take them seriously. We encourage her to assist her people in the future to overcome the numerous hardships that we all know so many of them, too many of them, face.

Because we would sincerely want to assist with some suggestions in trying to get some money now for the Yukon Indian Development Corporation so that something can be done, for that reason I am prepared to make some suggestions. I will be making those suggestions by way of an amendment to the motion, which I will be filing soon.

I am going to ask, and I sincerely mean this, that the Members opposite in particular, consider this amendment once it is tabled, and take it as a serious proposal. I will get into why I am suggesting this. I would suggest that the way to assist Indian people is to come forward with some credible alternatives, to come forward with some ideas about how to meet objectives, and not to try to take cheap political shots at someone of the stature of Erik Nielsen.

Before I file this amendment, to hear remarks from a new Member, such as the Member for Tatchun, criticizing a man who for some 29 years has been in the House of Commons, who fought for the rights of aboriginal people before some Members here were even born. He fought for those rights as a lone voice in the House of Commons. The reading of *Hansard* will support what I say. A person who has fought so long and hard to have to come under this kind of an attack, is like a puppy dog snapping at the heels of a lion, or a sparrow attacking an eagle. What a laugh.

I am sure that most people in the Yukon have some sense of values, and realize what is fair, what is sensible, and what is just pure, unadulterated silliness, what one would expect from an attitude of a punk on the street, not from a Member of a legislative body.

⁵⁰ *Amendment proposed*

I move THAT Motion No. 9 be amended by deleting all the words after the word "Canada", where it first appears, and substituting for them the following:

Whereas a primary objective of the Native Economic Development Program of the federal government is to promote the economic

self-reliance of Indian people;

And whereas the settlement of Yukon Indian Land Claims is presently under negotiation in Yukon and one of the objectives of these negotiations and of the resulting Yukon Indian Land Claims settlement will be to promote the economic self reliance of Yukon Indian people, therefore:

Be it resolved that it is the opinion of this House that the Government of Canada should consider with some favour an application from the Yukon Indian Development Corporation that applies for monies under the Native Economic Development Program if it contains the following two basic elements, namely:

(1) That an application be for a no interest loan rather than a grant from the federal government; and

(2) That the loan contain a provision that any balance outstanding on the loan at the time of the settlement of Yukon Indian Land Claims be paid from the monies that form part of the proceeds under the Yukon Indian Land Claims settlement."

Speaker: It has been moved by the Leader of the Official Opposition that Motion No. 9 be amended by deleting all words after the word "Canada", where it first appears, and substituting them with the following:

Whereas a primary objective of the Native Economic Development Program of the federal government is to promote the economic self-reliance of Indian people;

And whereas the settlement of Yukon Indian Land Claims is presently under negotiation in Yukon and one of the objectives of these negotiations and of the resulting Yukon Indian Land Claims settlement will be to promote the economic self reliance of Yukon Indian people, therefore:

Be it resolved that it is the opinion of this House that the Government of Canada should consider with some favour an application from the Yukon Indian Development Corporation that applies for monies under the Native Economic Development Program if it contains the following two basic elements, namely:

(1) That an application be for a no interest loan rather than a grant from the federal government; and

(2) That the loan contain a provision that any balance outstanding on the loan at the time of the settlement of Yukon Indian Land Claims be paid from the monies that form part of the proceeds under the Yukon Indian Land Claims settlement."

⁵¹ **Mr. Phelps:** As I said in my earlier remarks, I am putting this forward because I firmly believe in the objectives, not only of the Native Economic Development Program, but of the Yukon Indian Development Corporation. It is a firm conviction that I have had that the goal of economic self-reliance, that the needs of Indian people, not only in the Yukon, but particularly in the Yukon — because this is where I was born and raised — was something that had to be worked on with sincerity and diligence by as many thinking people here, in Ottawa, and in other parts of Canada, as possible.

That is why I was very proud, back in 1974, when I was the first elected MLA in the Yukon to sit, as a representative of the Yukon, of all people of the Yukon, at the land claims talks. I was proud to be a Member of what is known as the Lysyk Inquiry, the Alaska Highway Pipeline Inquiry, and to participate with so many people in the Yukon, in particular though with Dean Lysyk and Edith Bohmer. At that time we looked, pragmatically, at the problems of Yukon Indian people. At that time, there were concerns about development, their need for training, their need for some funding. At that time we went to each and every community, sometimes twice, sometimes three times, and heard from all Yukoners.

At that time, while many may have disagreed with the report that we put out making recommendations to the government, we did that in the same manner, in the same vein and for the same reasons that I am putting this humble offering forward today, to be pragmatic, not to take a radical stance for the sheer love of hearing oneself talk, but to do something, suggest something that we then felt we could sell, not only to the Government of Canada, but to the pipeline consortium, and to the United States government and the people of Alaska as well. That is why we did that then. We took a stand that was unpopular with some of the Indian leaders, that was

particularly hard on the person who was appointed by the CYI at the time.

We took a stand that was unpopular with some of the people in this government of the day. That, despite the fact that I was, at the time, appointed by the unanimous vote of this House, and at that time, yes, we did have party politics. We had two NDP Members, if I recall correctly, and one independent who was an outspoken Liberal. We did that.

Dean Lysyk, Judge Lysyk now, took the stand that he knew he would be criticized heavily for, and which really went contrary, in some ways, to the Berger Report in the same year, despite the fact that he had been the constitutional adviser to Berger in the first case of any real impact in recent years that ever went before the Supreme Court of Canada, the Calder case.

⁵² He took that stand too, because he, along with us, sought a solution that had pragmatic value and that, in the circumstances of the day, would do the best thing for all people of the Yukon no matter what the "political" gains or losses might be.

Yes, I am proud of the work I have done as negotiator for the Government of Yukon, for all people of the Yukon. I held that position, as everybody knows, for some six years. We came forward with a lot of innovative ideas; I am not taking credit for all of it. We had some very good people working and some of them are still involved. I am certain, in my mind, that everyone involved, from every party, takes to the table the right spirit, the concept of looking for a workable pragmatic solution and never mind the rhetoric.

So, I get a little annoyed by this kind of a motion, which seems to be putting forward for a maximum political gain and does not really seek to give any advice whatsoever to those people who work for the Yukon Indian Development Corporation and are sincere.

When I was Government Leader, I did not study the proposal very carefully because I did not have the time, but I did review a synopsis of what was being proposed and I wrote a letter in support. That is on the record. I supported it because I have always supported measures that would lead to the economic self reliance of Indian people everywhere, but particularly Yukon Indian people.

But, in this day and age with the country in a huge deficit situation, when the dollar has been tumbling, — partly because of that and partly for other reasons — when there are all kinds of economic problems, the government of the day would like to deal with on a priority basis, we have to face reality and we have to say to people who are trying to get ahead, "You know part of being economically self-reliant is to also approach these things in a responsible way, given the times."

That means that we have to really examine what is happening here, never mind who said what, or what party they are in. Let us look at this thing called the Native Economic Development Program that has been put forward.

I believe I heard recently in the news, only some \$40 million of that has been given out to date. I do not think that is because of any ill-feeling or small-mindedness on the part of the federal government.

⁵³ Again, I point out to the House, if they do not know it already, these are tough times. Tough times for Canada. Tough times for a lot of people who are unemployed, particularly tough times for a lot of Indian people. We have to realize that and act responsibly. The main objective of this fund that was set up — not even by the present federal government, but by the previous Liberal administration — was to promote the economic self-reliance of Indian people throughout Canada, and particularly in western Canada, when it was first introduced, at least.

That should not come as any surprise to anybody here, or anybody who may take the time to read my remarks later. It just happened to be, and it should be obvious, that it is also one of the main objectives of the Yukon Indian land claim settlement.

We spent six years in negotiations, thousands of hours, not always quarreling or quibbling, but working in a cooperative manner, canvassing methods and mechanisms and so on, to try to achieve a whole host of things. One of the main things was to try to achieve the same goal that the Yukon Indian Development Corporation is striving to move towards on behalf of its people.

Consider that for a second. Consider the kind of money that we negotiated. I presume that we are still talking in the same range of megadollars. We had agreement in principle from both governments, at least, that there would be a huge amount of money as part of the settlement of the Yukon Indian land claims.

I have heard lots of criticisms about some elements of the package. I can tell you one thing, I have never heard anybody dare stand up and attack the financial package that was put together, with the tax breaks, with all the concepts that were put in place to ensure that once there was settlement that, indeed, we would see the day that Indian people, particularly those at the bottom, those at a serious economic disadvantage, had a hope and a legitimate chance to get on their feet.

The financial package of that settlement is second to none in the north, in the south, or any part of the world. I think that that needs to be underlined, because the deficit in the federal domain has become such a burden, such a political target, and of such concern to all economists, not only in Canada but in other parts of the world, and that has emerged as such a huge problem since the economic portion of this package was negotiated. That was negotiated three years ago.

⁵⁴ It was approved, step-by-step, by the federal government and the tax department, Revenue Canada, and by the various cabinet committees of the federal government. Now we have a situation where the Yukon Indian Development Corporation is asking for money and I think the mistake they are making — if I can give advice, as I am purporting to do here today — is to insist that this money ought to be a grant and completely outside the ambit of what may become a large cash settlement in land claims.

I can understand the reluctance, and I cannot speak for any individual federal government Minister, but as a person who has had some experience negotiating with federal cabinets, and even working policy papers up through, I can certainly understand from a purely pragmatic, practical point of view why the insistence on an outright grant, the demand that they ignore the financial cash settlement portion of land claims, is going to be hard to sell in cabinet. You cannot have it both ways.

I would really urge the Corporation, and all Members here — and I intend to continue supporting that Corporation — to consider what might work. What is the real purpose of the motion, at least as the motion is amended, and of the application for monies at this time? The real, fundamental need right now is to get some funding now, not to wait for a land claims settlement or even a ratified agreement-in-principle. The need is to get some substantial monies into play right now, to start to do something, to start striving toward the goal of economic self reliance, and to start individual native people working in the communities to assist with the quality of life in the hopes and aspirations of the people of Old Crow, Ross River, Carcross, Teslin, Burwash, Haines Junction, Upper Liard and so on. Yes, Dawson City, too. That is the goal.

⁵⁵ I do not want to stand here, or even sit here, and listen to cheap, political rhetoric for cheap, political gain. I am not interested in pointing the finger and deciding if somebody liked the application, or did not like the application, or really trying to figure out why.

The real reason, it seems to me, is as plain as the nose on — pick a person's face in the Assembly. The real need for us is to join together and come forward with some pragmatic solutions. The real losers, if we do not, are the little people, the little Indian people, the little guy who lives in the village where there is such high unemployment, such little opportunity for work, such little opportunity for training and, most of all, so little hope.

We all know that the bottom line in those elements particularly is the lack of hope, if one can speak at all in social sciences, or in so many areas, of cause and effect. If there is an underlying cause to the effect of such things as alcoholism, the beatings and so on that go on in the rural communities, the violent crimes, these kinds of things, if there is one root cause, we have talked about cause and effect, we know what it is. It is basically that lack of hope spurred on by such things as poor training and no venture capital for the Indian people to get onto their feet and do things — do things for themselves, and do things that will restore and build their pride. These are goals that I think virtually every Yukoner, in a reflective

moment, shares. That certainly was, and has been, my experience, in my adult life in the Yukon.

In conclusion, in a way I am glad that we had this opportunity, that I had this opportunity, to put forward this amendment to the motion. I think that it may cause some controversy among some Indian leaders. So be it. One has to examine the logic. One has to examine the situation of Canada today in today's world. One has to realize that such things as pride and economic self-reliance require also a good dose of responsibility. I submit that the responsible thing for all parties to do. The Yukon Indian Development Corporation has to say, "Look, what we need is the money. We need it before land claims. Here is a way of doing it. We will put forward our application again. We understand the problems the country faces. We will choose a responsible course and not waste any more time, because this money is needed. These economic programs are needed."

I want to conclude by saying that we have no problem supporting an application that would go forward in that spirit, one hundred percent.

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Point of order

Hon. Mr. Kimmerly: I rise on a point of order, not on the motion. I will explain the point of order this way: I purposely waited until after the explanation of the amendment of the motion and rose at the first opportunity. The point of order is that this amendment should be ruled out of order because it does not deal with the same subject matter as the original motion. I would like to explain briefly five reasons for making that point of order and I would ask for a ruling on whether or not this amendment is in order or out of order.

The reasons are as follows: first of all, the original motion has a particular subject, a particular substance and the essence of it is the recent application for funding by YIDC. It talks about that application and the consequences of the rejection of it. The amendment to the motion ignores completely the recent application. It does not deal with the essence of the motion, and it speaks about a possible future application, which is an entirely different thing.

Secondly, I would raise this argument: the reason for the notice rule for motions is to allow all Members to consult and to consider with seriousness the various motions. Here we have no notice of this motion, no opportunity to consult whatsoever and if it is on the same subject, then there is an argument for that, but if it is on a different principle, then that notice is obviously required and the rules do not effectively work to facilitate informed debate.

Thirdly, I argue this way: it is just patently obvious, where you remove all the words after the introduction to the motion and substitute all new words, that it is clearly a different principle, a different motion, simply on the face of it.

⁵⁷ It is a motion of four paragraphs, and those four paragraphs are entirely deleted by the amendment and substituted for by five other different paragraphs. I argue that it is obvious.

Fourthly, the original motion is a condemning motion. It condemns the Government of Canada and the Prime Minister. After the whereas clauses, the resolution is clearly a condemnation of the Government of Canada. The amendment is not about that at all. It has completely ignored that important aspect of the original motion. The essence of the original motion is a particular application by the YIDC and a condemnation of the federal government. The amendment ignores that and speaks about a new process, a new idea.

The mover's argument about the motion was entirely different from his speech about the original motion. Indeed, he even has a slip of the tongue and said he "is pleased to put forward this motion". He then caught himself and said "amendment, rather". It is clearly obvious that the intention is to put forward an entirely new motion, with no notice to the other sides, and although there is a general resemblance to the original motion, the essence is quite changed and I ask you to rule it out of order.

Speaker: Order. It is now 5:30 p.m., so we will recess until 7:30 p.m. I will take this matter under advisement.

This House stands adjourned until 7:30 tonight.

Recess

Speaker: I will call the House back to order. We will proceed with Government Bills.

GOVERNMENT BILLS

Bill No. 10: Second Reading

Mr. Clerk: Second reading, Bill No. 10, standing in the name of the hon. Mr. Penikett.

Hon. Mr. Penikett: The purpose of this Bill is to amend the *Yukon Liquor Tax Act* and the *Tobacco Tax Act* by increasing the tax on liquor products sold by the Liquor Corporation from 10 percent to 12 percent. That is why I am moving second reading of this Bill.

Speaker: It has been moved by the hon. Government Leader that Bill No. 10, entitled *An Act to Amend the Liquor Tax Act and the Tobacco Tax Act*, be now read a second time.

Hon. Mr. Penikett: We are projecting that this increase in the rate of the liquor tax will generate an additional \$275,000 on an annual basis at existing volumes of consumption. However, I must acknowledge that the purpose of this change is twofold. Firstly, it goes without saying, it is intended to increase revenues and, secondly, because it increases prices it is hoped that consumption levels will be thereby reduced, thereby reducing the social costs that go hand in hand with alcohol consumption.

Obviously, we cannot accomplish both directives simultaneously and I would like to make it quite clear that our preference as a government would be to forego the direct revenue if we could have any impact at all on alcohol abuse.

The impact of this change is as follows: a bottle of spirits will increase in retail price by 30 cents; a bottle of domestic wine will increase in retail price by 15 cents; a case of 12 bottles of beer will increase in retail price by 20 cents.

On March 25, I was asked by a Member of the Opposition for the profit and tax on individual brand items.

⁰² The Member who asked the question is, of course, a former member of the Executive Council who took an oath of secrecy with respect to certain matters that came to his attention. He will know, as Members in our party were advised by the previous Minister of Finance, that the specific mark of information is confidential.

To satisfy him, I can tell him that it has not changed under this government. I will now give an undertaking to do the same as was done by Mr. Pearson, when he was Minister of Finance, which was to provide the information to the certain Members of the opposition, I think two of us, in confidence, as long as we kept it in confidence. I will do the same.

However, the tax levels on liquor are public knowledge, and I will describe them to the Member. Any price fluctuations and changes through 1985-86 are attributed to two factors: changes in tax rates at the federal level, and changes in the landed cost of the product to the Yukon Liquor Corporation.

The impact of the change in liquor rate from 10 percent to 12 percent on the retail price is as follows: a 30 cents increase on a bottle of spirits, 15 cents increase on a bottle of wine, and 20 cents increase on a bottle of beer.

Our new tax on spirits will amount to \$1.85 a bottle, which will retail at \$17.30. The tax on a bottle of wine will amount to \$.75, which retails at \$7.00, and the tax on a 12 bottles of beer, a case of beer, will be \$1.05, for a retail price of \$10.85. The breakdown by individual brand name is not available, since their prices are the same for some of those bottles of spirits.

The comparisons, if I may give the Member these — which I indicated that I would, or some comparisons — a bottle of spirits, or a 26 ounce bottle of spirits in the Yukon will now sell, as I said, for \$17.30. That compares with the price in British Columbia of \$16.30. Wine will sell in Yukon for \$7.00 a bottle. That compares with the British Columbia price of \$6.75. A case of 12 bottles of Canadian beer will be \$10.85 in the Yukon and \$11.50 in British Columbia. So, even with this tax increase on the price of beer, it will be below that of British Columbia.

⁰³ As Members will recall, the forecasted liquor revenue for the terri-

tory for 1985-86 is \$5,744,000. The estimate for this new measure is, assuming consumption patterns do not change, \$6,333,000. Part of that increase in revenue is an increase in the tax resulting from federal tax changes which affect our landed costs here in the Yukon, and that amounts to \$27,000 of that item.

The present rate taxes for the different provinces range from a low of seven to a high of 12. The Yukon will have a 12 percent tax as a result of this measure. Also, as part of this bill, the tax on tobacco products sold in the Yukon will increase from 1.6 cents to 3.2 cents per cigarette. This is an increase of 100 percent. This change will result in increased revenues to the government of approximately \$1.3 million. Again, this projection is based on existing levels of consumption.

The last change in the tobacco tax was in 1981, by the previous Conservative administration, when the rate of tax per cigarette was increased 166 percent. The current rate change will increase that rate from 1.6 cents to 3.2 cents a cigarette. The bill also provides for changes to the rates of tax levied on cigars and other tobacco products. Commencing in April 1986, the tax on cigars will be a flat rate of 20 cents a cigar.

Other tobacco products were, and will continue to be, taxed on the weight of the tobacco with the rate being fixed per 25 grams or part thereof. The old rate is 5.56 cents and the new rate will be 28.5 cents.

As with the liquor tax increase, it is hoped that this tax increase will discourage smoking and thereby reduce the social cost attributed to it. As I have already stated, with respect to the liquor tax, we would be glad to forego the revenue if the impact of the higher costs was to reduce consumption and the high costs associated with it.

It may be useful for Members to know that the tax on cigarettes in the territory, at the present moment, is quite low relative to other Canadian jurisdictions. The price for 1,000 cigarettes in the Northwest Territories is \$21.00, in the Yukon at the moment \$16.00, in BC \$32.00, in Alberta \$14.80, in Saskatchewan \$30.80, in Manitoba \$31.00, in Ontario \$27.00, in Quebec \$36.00, in New Brunswick \$37.00, in Nova Scotia \$24.00, and in Newfoundland \$47.80.

The bill is not a long one. It is the only tax increase proposed in the budget presented by this government. We have, on previous occasions, as all Members know, reduced the off-road fuel tax and it is our intention to reduce the medicare premiums later this year, to take effect at the beginning of the next fiscal year.

This is also, to some extent, a voluntary tax in that people are not compelled to pay it. People smoke and drink. These are luxuries which they choose by their own choice but, given the high social and health costs associated with the abuse of these products, we feel that the revenue to be obtained is justified and necessary.

Mr. Phelps: I am always amazed at the scattergun approach of my friend opposite. I am sometimes amused by the attempt to have it both ways or, if there are three possible conflicting ways to have it, all of the three ways. I will be discussing that in a couple of minutes. The last Conservative budget was the one for 1984-85. The total O&M was \$147 million; the total capital was \$42.9 million; total overall was \$190,220,000. What we have now for the fiscal year 1986-87, is O&M \$171,065,000 and capital over \$80 million. The total is \$252 million, an increase of 32 percent.

In 1984-85, on the combined budget, there was a surplus of \$9.366 million.

Now, this is the year that Yukoners face, with the proposed tax increases, a deficit of \$781,000, a huge increase in combined spending, a situation where the government is raising taxes, and wants us to pass this bill and, yet, he has the affrontery, for want of a better word, to stand there and try to ride three different horses going in three different directions all at the same time. I hardly think even a nimble gymnast, such as my friend, is capable of doing that.

To say, on the one hand, that raising taxes, he hopes, will reduce the use of alcohol and the use of tobacco, is one thing. At the same time, he gives, in his speech, figures that would minimize the cost. Not a big deal. There is not very much on a bottle of booze worth

\$17.00. Not very much on a bottle of wine, and certainly not very much on a bottle of beer. It is not very much. Let me submit to you that it will not have much impact on the social do-goody-goody program that the Minister of Justice outlined to us with such fervor.

It is always amusing to sit in a House like this and listen to the "let's-pretend" Conservatives on the other side, the fiscally-responsible NDP, tortured by the realities of the Yukon and probably brow-beaten by the real socialists who support them. Not for a second would I ever to say to you, or to my friends across the way, or, certainly, never to my constituents, or the public of Yukon, that the Minister of Justice is not, at heart, a raging socialist, because, let me be the first to admit, he is a raging socialist, and he has been a terrible embarrassment, no doubt, to my good friends opposite. If you look at the problems in public relations, that this government has had — aside from the embarrassment of having to cower to the Liberals to our far left here — that must be tough, that must really be tough, really hard to swallow.

What are the real scandals, aside from the ineptitude of the prof? What is the real scandal? Well, the real scandals have been things such as native courtworker, or how about the human rights? Yukoners loved that. Then we got this group home fiasco. And, we got things happening with the Justice Centre. We have a situation where the Cabinet travels to Watson Lake to meet the people; who do they leave behind? Well, they have to leave behind the real ideologist on the economic side, on every side, every conceivable side.

So how do they assuage their consciences? How do they say, we really are a little socialist today? Trust me. Trust me.

They say we are going to stop people from smoking, because that is really naughty-naughty. We are going to raise taxes, but that is really not a big deal either because people will not notice it. It is not really cracking down on the drinkers, because only a couple of cents on a bottle is not really going to hurt you. We are going to really have something strong to say about the cruise missiles — really a lot to say about that because that is in our jurisdiction, after all. He can say silly things, and pontificate forever. Of course, our props will not notice it. They will not notice it, they will be too busy looking up some detail that everybody will have forgotten about before they stand up and say it.

That is what we are faced with here. That is the reality of what is going on. We have, across from us, people clinging desperately to power, trying to ride three horses at the same time. "We are going to stop people from doing this; we are going to stop people from doing that." How? "We are going to raise taxes." But it is not very much. It is really, really not very much.

We are also going to stop people from smoking in public washrooms, or whatever. You know, tax increases are never fun. Sometimes they are necessary. Restraint in spending is never fun. Sometimes, just sometimes, that is necessary. It has been necessary for this bunch. They have been able to balance the budget, because they got into office and did not even know how to spend it fast enough until five months had gone by. Then they find out toward the end, "Oh my goodness gracious, we have a surplus. We will put in this \$10 million figure and make it all work out."

We are going to vote against the second reading of this bill. We will vote against second reading because we do not have the faith or the confidence in the government. We suspect the Liberals will prop them up. What can you say? It is nice to get a cheque, whatever the size, in the mail every two weeks.

In conclusion, I say, we cannot support this Bill, not in second reading, not ever.

Mr. Lang: I, too, listened to the Government Leader present his speech on the second reading. I want to say at the outset, I do not recall the debate, and I will have to check as to why the markup on liquor was confidential. I, quite frankly, am going to have to ask why, because if it was, it is something I do not recall. Perhaps it is something down at a later date one can discuss. I hear somebody saying, "Yes, it is." I am not going to argue that. I am just questioning, in my own mind, why it was, and why it is confidential.

I recognize the difficulty in being government. I recognize the fact that when you are the government, you not only have the privileges of being the government, — and it is a privilege — but you also have the responsibilities and accountability of being the government.

⁰⁷ And that is the difficult part of assuming the responsibility of being a backbencher, to support the government in this particular case, but just as importantly to be a Minister of the Crown.

What concerns me is what I see going on as far as the financing and spending of money authorized by this house, or being asked to be authorized by this House, as far as the O&M Budget for 1986-87 is concerned.

The easy one to hit is the smoker and the drinker because he or she will be the first one to admit they should not do it. We are at a crossroads as far as taxation is concerned. When Mr. Wilson brought down his budget a month ago, he did not make any pretense about saving you from yourself, and by taxing your cigarettes and liquor, he will be cutting down on your expenses. The Government of Canada made it very clear that they wanted more money and that they needed more money. They had a major, blossoming deficit that the Leader of the Official Opposition spoke of this afternoon. The Members opposite are obviously not aware of this.

As a Canadian, I heard Mr. Wilson's budget speech. I read the implications of that speech and said, "yes that makes sense, it is going to cost me, lower middle class, middle class, three hundred bucks more a year, maybe three fifty, out of my net, to the Government of Canada", to help what I thought was a very good objective, to get a handle on government spending. To cut the deficit so we do not have 30, 40 or whatever the percentage is going to pay interest on borrowed money. That makes sense: cut the deficit. Then, since I happen to be an elected Member, I am called to this House to discuss a budget not designed to cut a deficit but to create a deficit. At the same time, I am asked to authorize a tax measure under the pretense of health purposes. That is totally and absolutely hypocritical. I do not have a problem with the government saying we need more money. I do not recall the previous government ever coming in here and saying they were doing this because of the health problem. We were quite up front, we needed more money. I call that honesty.

⁰⁸ It makes as much sense as to have a meal tax, and I include myself in this. Perhaps we should have a meal tax. Then some of us will not voluntarily carry on adding to our girth. There is a health problem there, too. That is poppycock. Let us get your cards on the table; you need more money. Why? That is the question.

We are going to play a game of smoke and mirrors and get little decrees going out to the smokers: I have decided you shall quit smoking in the building. Another decree is coming forward: we shall raise the price and then you shall not buy any more cigarettes but, in conjunction with the Deputy Minister of Finance, I will present a budget here which indicates double the taxation that we have ever gotten in one year as far as cigarette taxes are concerned. You need the money.

Will there be regressive taxation at the expense of the poor. Who is going to argue that? We will sit here and we will pontificate and the Minister of Finance will tell us that they are doing it for you and the people you represent. The people of the territories, in some cases, are getting hit about four different ways this time from this government that has the financial wherewithal, with some restraint, some management of not going ahead with a taxation measure in this House. I spoke of the property tax owner in Mayo and in Watson Lake. He smiled.

I say to the Member for Klondike to go talk to the people in Watson Lake who are looking at a major property tax increase. We are not talking about whether or not they want to have a drink in the evening or on the weekend. How far does it go that the people who have the trust of the public purse can continuously go back and hit and hammer the working man, the guy paying the bills, and expect to have any credibility?

It is like the Department of Justice. When you see some of the statements that are being made, allegedly coming from the courts and you read them in the newspaper, and people are supposed to

have some perception of respect? Especially when we talk about the size of government and the responsibility of government. The fact is that the financial wherewithal of this government, which the Minister of Justice and the Government Leader have freely admitted, has been in good shape.

We are going to go ahead and raise taxes. Why? We have the Minister of Justice, who obviously has been taken into a room and told that we are not changing the liquor laws. Now they come out and make the pronouncement that he could not do it by legislation, but they will do it by financial means. You are really going to hammer the working stiff. In some communities you will find people purposely purchasing liquor beyond the jurisdiction of the Yukon, and I cannot blame them, especially perhaps in the summer months, if the Minister of Community and Transportation ever gets the Carcross-Skagway Road reopened.

⁰⁹ You are going to see cigarettes coming in here, there is no doubt, through mail, or whatever means, which is going to cut off taxation to this government. What have we done, created a black market? Is that what we are doing? The Member opposite stands up and, in the same breath when he brings this tax measure forward, talks about elimination of medicare premiums. Poof. \$2.9 million gone. What are we going to put in its place? Are we just going to carry on our merry old way, or are we going to bring in another liquor tax measure?

You have to understand that our ability to tax is somewhat limited. We do not have our natural resources. There is another \$2.9 million. There is the inflation factor that the Leader of the Official Opposition spoke of. All these things come to the fore, and there are a lot of other costs and cost increases that we are probably not aware of. There is a budget before us that, so far, shows a deficit of \$700,000, and we have discovered, without getting into the line departments, another \$2 million that has not been included, in ballpark figures. So we are already talking about \$2.7 million.

And you legitimately can stand there and say we are going to still bring in a deficit and still want a tax measure, and the Member for Tatchun and the Member for Faro are going to support that? Would you run your business like that? I would say no. It is very easy when it is other people's money.

I want to conclude by saying, and by reiterating, it is ironic, in the country we live in, Canada, that a senior level of government to ourselves is cutting the deficit and, in this particular jurisdiction in Canada, we are happily creating a deficit.

Mr. Brewster: I am having a little problem seeing over there, because the halos from those little angels are bothering me. I am going to put away my candies, because they will probably be taxing them next, or maybe they will not allow us to eat these candies in the House anymore. I notice the Government Leader eats them. We have not gotten around to that yet.

It amazes me. Here we have this free society. We are going around to everybody, we are going to talk to everybody before we do anything. How many people talked to the people who smoke and drink a little bit? Is this such a disgrace? This has been going on for hundreds and hundreds of years, but all of a sudden we get all these pure people over there who are going to straighten us around.

I am talking as an individual. I am not a lawyer. I do not have a big smart education. But I am getting so god-damned tired of being told that I am dumb. I know I am dumb, but I am getting tired of it. And I am getting tired of always being educated. I am educated on human rights. I am educated on select committees. I am going to be educated all over the place. It is about time this government straightened around.

You remember, 47 percent of the popular vote is on this side of the House. It is probably a lot higher right now. This government raised taxes, and then they turn around and say, oh, we are doing it for your health. I would like them to prove that statement. I would like to prove it. I have heard doctors say it hurts you, and I heard other doctors say, it has not been proven yet.

I would like you to prove some of these things. Do not come in here and cover up and say we are doing it for your health, we are raising taxes. You might be doing it for my health by raising taxes there, but I tell you, you are sure hurting my pocketbook, and that

hurts what I have to put inside my stomach to eat. This is for a lot of the little people that go around here.

¹⁰ We cannot smoke anymore, we cannot afford it. We cannot drink. Maybe we better all go onto grass, I think that is what you call it, or dope or something. Maybe you had not thought of raising taxes on that yet. Maybe you better start looking at a few of these things. I see the Minister of Justice getting all ready. We are going to have a long one coming from him now. He is really going to go after us now and give us a good talking to. I am getting so scared the next thing they will do is pass a law where I cannot even go home and sleep with my wife, for Christ's sakes.

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

Mr. Nordling: I will be very brief. I agree with the government's idea. It would be nice if everyone quit smoking and drinking but these taxes are not going to do it. If the government thinks taxes are going to decrease health costs, then I think they are fooling themselves. They are not fooling the public. In the Minister of Finance's own words, he is a good money manager and the government has a huge surplus. We cannot support the bill as it is because it is not necessary.

Mrs. Firth: I have been listening to the Government Leader for the last two weeks talking about the fine fiscal condition his government is in, and I have been listening him talk about the social problems we have in the Yukon Territory and somehow, in some way he is trying to trade one against the other or he is trying to create some kind of situation that he is going to be able to say, on one hand, that he is a responsible money manager, yet he is trying to find excuses and rationale for imposing taxes on people.

I have no difficulty with the concept of increasing taxes on tobacco and on alcohol, but I only agree with it if there is a good reason to do it. The Government Leader has not demonstrated to the Legislature nor to the public the good reason for doing it. To say that he is going to do it because he will increase revenues and because of the social conscience his party and his government has, and how they want to take care of Yukoners, are inconsistent. You cannot trade an increase of revenue off with a potential decline of revenue on the other hand.

I feel fairly confident that the Government Leader may be in a position where revenues may decline even more because people are already talking about looking for other ways to buy their cigarettes or to get their liquor from other areas where it is cheaper. I do not know if the Government Leader took that into account when he made this decision.

On one hand he is telling people we want to look after their social welfare so we are imposing a tax, hoping they will not smoke and drink as much, yet on the other hand he is talking about abolishing medicare premiums which, to me, is an indication to people of the cost they may have to pay. Although it is a small cost, it is an indication of the cost they will have to pay if they abuse their personal beings and they need some medical care.

¹¹ Of course, it is logical that smoking and drinking could abuse our physical health.

I have some concerns because of the incidents that have been happening in the news just recently. People who drink alcohol, who are alcoholics, are still going to drink whether the tax is 30 cents or 60 cents or \$1.00. They are still going to try to find some way that they can get alcohol. We have just all heard recently in the news about a very unfortunate situation where, instead of having, either for the reason of the unavailability of it or their inability to buy alcohol, people have resorted to some other substitute for alcohol, that gave the same effect. The outcome of this situation was very tragic. I would hope that the Government Leader has taken that into account in making his decision, because that used to be a problem here in the Yukon. The higher the price of alcohol goes, the more chance there is of that becoming a problem again.

It is fine for the government to want to look after everyone, and

to make sure that they are in the best of health. That is their philosophy coming forward and the way they want to change Yukon society, and the way they want to impose their ideology on the Yukon society. However, I do not find it logical, and I do not find it rational, and it does not make sense to me. Therefore, I am going to be disagreeing with the imposing of this tax, and it is because the Government Leader has not been able to give us a logical reason why.

Hon. Mr. Porter: In response to the previous speaker, clearly the speaker was talking about the situation in Peerless Lake, Alberta, where certain people died as a result of drinking alcoholic substances, in some cases, but not as we know it in the refined sense, as purchased through retail outlets. She has made the case that we are going to look at a similar situation in the Yukon with this increase in tax.

I would submit that the argument is not based on logic at all because on the question of availability, the raising of the tax with respect to alcohol spirits in the Yukon will not, in any way, diminish the availability. Her premise, in terms of her logic, is that people are going to drink anyway. It cannot, then, follow that because the price is increased, then all of a sudden they are going to abandon alcohol and continue to drink those spirits.

I would submit that the real reason for the kinds of tragedies that we see not only in Peerless Lake but throughout Canada, throughout the north in particular, is more of a situation with respect to the condition of aboriginal society. In this instance, we are talking about a Metis settlement, and we were talking about the young people and older people from that settlement. The spokespeople, who spoke on behalf of the settlement, indicated that those problems were a reflection of an overall social economic condition: people not having any jobs, people not having adequate housing. That is the situation which exists throughout the Yukon, throughout the north, and it has for many years.

¹² In the past, governments have been very reluctant to deal with those issues. Slowly we are changing our minds. This government is not perfect as have not been previous governments, but I would suggest that there is a marked difference in attitudes in terms of dealing with those problems in a very real way.

In talking about the debates today, I think there was an indication of a group in society who are attempting to do that but we have a group in Ottawa who did not believe in the method in which they were attempting to do it, which was based on the issue of self-determination.

With respect to the kinds of rhetoric heard flowing here tonight, it reminds me of the old black and white movies we used to watch about the deep south, in places like Birmingham, Alabama. I cannot understand why the side opposite, when they do really get down to the nuts and bolts of debate, always seem to hang their persuasive arguments on the emotion of fear, driving fear into people that the government is going to nationalize our houses, our wives, our cars and everything that they do. It does not make sense.

If that is the only credible platform in a political philosophy, it is not going to last, as is obvious in the political changes that are taking place in the Yukon. I think that the statement that the people of the Yukon have made is that they do not want any more Alabama rhetoric. They do not want people standing up and describing the shadow of fear and using violent tactics to base their political beliefs on. The people have clearly said that they want a government that is much more mature, more cooperative, and wants to bring sectors of the community together, as opposed to dividing people.

They say that these guys are conservationists, these guys are hunters and never shall the twain meet. There is no room for compromise. We have to sit in our little camps and forevermore load up and fire away. Obviously, that kind of mentality destroys people as opposed to bringing them together and asking them to work in a cooperative fashion. It took until tonight for that side of debate to emerge. I was hoping that we would be moving away from that kind of mentality but there seems to be an obvious obsession with some Members to continue to play out that line in Yukon politics and continue to use that kind of attitude, but this is

not going to last.

There are some signs of improvement in terms of some of the attitudes taken by some of the recent Members in the House on the side opposite and in all probability there will be further changes in the political representation by individuals. In the long term, and for the overall political health and benefit of the party opposite, it can only be to their benefit.

¹³ The budget very clearly says that we require further finances. The budget very clearly spells out what those finances are going to be used to do.

The side opposite has accused us of simply taking this tax measure to put forward a social agenda that is hidden within the folds of the budget. I am looking at the departments that I have responsibility for. The greatest thrust of the new monies that will be made available to the Department of Renewable Resources is for the creation of a separate branch of the government known as a new branch of the Agriculture Department. That is the main thrust of where we are spending our money.

I would suggest to the side opposite that, should they be voting against this tax increase, indirectly, they are also voting against the reason for it being spent in Renewable Resources, which is the Department of Agriculture.

The increases that will be spent in the Department of Tourism are articulated in the budget as well. We are talking about an increased advertising program. We are talking about creating a program called "Partners in Tourism" that will encourage the participation of the communities with government in tourism development.

The side opposite asked us why we are increasing the revenues to government, and where are these increased dollars going to be spent? Those two examples from the departments I represent very clearly indicate to the Member for Porter Creek East where the money is going.

I would suggest that by voting against this measure it is also, in my mind, a vote against those programs.

Mr. Phillips: I would just like to say a few words regarding the comments of the last speaker. He mentioned fear. Fear is a normal human instinct, particularly fear of the unknown. I think a lot of people in the last election, when they elected an NDP minority government took the opportunity to give them a possible chance to see what they could do. I think the fear of intrusion in their own lives is now happening, and I think the fear is turning into fact. People are going to very clearly tell you how they feel about a bill such as this.

Mr. McLachlan: I want to say that I do have a way in which we could perhaps make up this source of revenue. The Conservative Party is yelling so much, and I want to advise the Government Leader about it. We could probably take the speeches of the front benches of the Conservative Party, bag it and sell it for corn. Dry it out and you could maybe make popcorn out of it. I have never heard such sanctimonious, self-righteous criticism over cigarettes and liquor.

The Member for Porter Creek East used the term "poppycock". Yes, it is poppycock on their part. Here we have a Leader of the Official Opposition who railroaded his party into making him leader. Fifty-three days later he blew it by shooting himself in the foot. He is still bleeding and still running to the bank for bandages. I am going to advise the Member for Tatchun to put a barrier across the way here to keep the blood from flowing from that section to this side of the House.

I want to advise the Member for Hootalinqua that the two Liberal Members got paycheques long before May 13, 1985, got them out of private industry, and got them by working 15 hour days. Certainly, it is nice to get a cheque every 30 days, or 15 days or 14 days, whatever. The difference in our case is that we did not get one for \$8,000 for 10 days' work.

¹⁴ There are points being made taking a swipe at medicare premiums. Perhaps the Members on my right should think and worry a little more about the other side out there who, very many times, have problems paying. The poor, the elderly, the handicapped, some of those business people who complain to us about

having to fill out the forms daily or monthly whether you have six, sixteen or twenty-six. Sometimes that is an onerous burden for the small businessmen, some of whom support their party. A smart trick might be to get the \$27.50 channeled to the Conservative Party. Try it fellows. We are going to support this amendment to the liquor tax. We are going to support the amendment to the taxation bill. Whether they happen to agree with it or not is not particularly worrisome to us.

Hon. Mr. Penikett: Who would have thought that a measure described by the Leader of the Official Opposition as insignificant in financial consequences would have provoked the kind of emotions and, in some cases, unpleasantness we see tonight. It makes me think it is one of the better arguments for containing our sittings to the daytime period rather than the evening.

Be that as it may, the Leader of the Official Opposition has described me as a nimble gymnast — indeed a person who can ride three horses at the same time. For a person of my substance or, as the Greeks would say, *gravitas*, the compliment is not only endearing but highly flattering. I shall treasure it always and I may even have it framed.

I want to return the compliment because I believe I am no more nimble and no more ambidextrous than the Leader of the Official Opposition. It was fascinating. When we went through the budget debate last fall, the continual refrain from the Conservative Party was, "Well this is not the NDP budget; we do not have to discuss it, this is really our budget. Ninety percent of it is ours." This was the budget that had the \$1.1 million deficit you will recall.

Tonight, now that we are comparing current year deficits, the Leader of the Official Opposition says it is not his budget, and he wants to adjust the accounts so the massive increase in Tory budgets from 1984-85 to 1985-86 is suddenly not their increase, but this government's increase.

I guess that is what my mother used to call a convenient memory. The Leader of the Official Opposition is leading a party that is not only talking out of both sides of its mouth, but is fundamentally two faced on this whole question of revenue measures.

The federal Conservative Party just finished raising taxes on alcohol and tobacco. Did we hear a whimper of protest from any of the Members opposite? No, Mr. Speaker. No, Mr. Speaker.

¹⁵ The Members opposite, in 1981, raised tobacco taxes 166 percent, at a time when this government had a surplus. I say this to the Member for Porter Creek West, "Was it unnecessary then?" If it was unnecessary then, why did they bring it before the House, and why did they vote for it back then and are opposing it now?

The Leader of the Official Opposition suggests that we are cowering to the Liberals. I do not know what cowering is. Maybe it is something you do while you are riding three horses and being a nimble gymnast. I have to tell you, I respect the Leader of the Official Opposition's opinion on this, because for the first few years I knew him to be politically active, of course, he was politically active as a Liberal. I remember him as recently — was it 1974 — as the floor manager for one of the Liberal candidates in the federal nomination. Was it 1972, or was it 1974? I get my dates a little mixed up. It is not that ancient history. Some of us remember. Some of us have not forgotten.

He asks about Erik Nielsen's campaign. I was offered the chance to be Erik Nielsen's campaign manager. Mr. Erik Nielsen, artful political artisan that he is, offered me, as he offered every promising young person who entered the political arena around here, the chance to be co-opted into the Conservative Party. I rejected the offer. I tell you what I did accept. I accepted the offer to go and work for a little Indian guy in the Northwest Territories to run an impossible fight and an impossible election battle in 1972, against a pipeline over there, in support of aboriginal rights. We heard the great speeches of the day, and defeated an incumbent Member of Parliament who had the biggest electoral majority. Interestingly enough, I remember listening to the Liberal MP for the Western Arctic, the Northwest Territories as it then was, and the Conservative MP for the Yukon, sitting down and telling me what a naive and innocent young man I was. I really should not be wasting my time over there, because the NDP could not win anywhere. It

certainly could not win in the Northwest Territories.

If I may say so modestly, I have spent a lot of my adult life in the Yukon Territory proving old political dogs of two other parties wrong. That is one of the things I proved them wrong about on that occasion.

It is interesting to hear the two essentially different positions that we have had from the Conservative Party. We have had, if I may put it, the Hootalinqua position, which is that this is an insignificant increase, it will not work as a disincentive — I am trying to follow the logic of it because I was getting a lesson in logic from the Member for Riverdale South, and I am going to get to that — it is insignificant, it will not be a disincentive, therefore he is voting against it.

I tried to follow the thread of that logic, but I think I must have lost it somewhere in the back roads of Hootalinqua. It is impenetrable.

I heard then the ever-outraged Member for Porter Creek East tell us we are hammering the working stiff. We are going to tear out his pocketbook. We are going to be forcing him to buy cigarettes and beer from British Columbia. If he takes advice from the Member for Porter Creek East and goes to BC to buy beer and cigarettes, I have some news for him: he is going to be paying more, even after this increase goes through, for beer and cigarettes than he will here.

What nonsense!

Where else is he going to buy them? In the Northwest Territories? Of course, they are more expensive there, too. So we have the two positions from the Conservative Party. We have the Porter Creek East position, because it is different from the Member for Porter Creek West. The Porter Creek East position is that this is a terrible thing we are doing to the working guys. We are really going to hammer the guys here; we are going to just do awful things to them. We would never do that, even when we raised taxes 166 percent on cigarettes.

And then we have the Hootalinqua position, which is "It is a piddley increase. It is insignificant. It will not act as a disincentive at all."

¹⁶ We then hear the Members talk about tax increases. Tax increases. Wonderful. We have announced what we are going to do with medicare premiums. We have had it said, across the way, that we were going to impose a regressive tax. The most regressive tax we have in the Yukon Territory is the medicare premiums. It does not matter if you are a millionaire or someone who is barely getting by, you pay the same tax. Sick or healthy, rich or poor, you pay the same; that is regressive. You have a choice about paying tobacco taxes; you have a choice about paying liquor taxes.

I did some rough calculations. After we abolish medicare premiums, you would have to drink 100 cases of beer a month, and you would have to smoke 1,250 cigarettes in order to pay our tax increase.

Speaker: Order. Will you let the Member finish, please.

Hon. Mr. Penikett: I apologize for raising my voice, but it is hard to be heard over the Member for Porter Creek East, even when he is sitting down, and it is not always easy to tell when he is sitting down.

Mr. Lang: It *ain't* hard to tell when you are standing up, Tony, with your big gut.

Hon. Mr. Penikett: The Member for Kluane complained that education is a painful business. Yes, it is. If he has somehow had little scraps, or bits of education, as a result of being in the Legislature — I do not say from this side — as a result of being a legislator, that he has learned a couple of things, I do not think that he should feel badly about that. It may have hurt a bit, but it is not bad. Civilization moves in that kind of way, you know. With little leaps and bounds, we make small steps. Sometimes it hurts, and sometimes it is not done with great ease, but it is, on the whole, a good thing, I think.

The Member for Riverdale South wanted to give us a lesson in logic. Well, I have to tell you, the lesson in logic from the Members opposite tonight really was not logical. I think the only thing the lesson in logic, from the Members opposite tonight, has proved is the Member for Kluane's point, that education is painful, because their logic gave me a headache.

The Member for Porter Creek West said that the bill is not necessary. The Member for Porter Creek East says that it is just going to be destroying the working class. The Member for Hootalinqua said, the other day, that this territory would either have to cut programs or raise taxes. He said we would have to do that. Of course, he would not commit himself to either, or to specifics of either. It is interesting tonight that the Member for Porter East has proposed a food tax. We will be studying that measure with great seriousness.

The final galling note in tonight's debate — and I want to say this with all seriousness — came from the Member for Riverdale North. I have actually come to enjoy the company of the Member for Riverdale North in the last few weeks. I have found him not as humourless as some of his colleagues are, but a quite entertaining and good natured person, who does have a sense of humour and is capable of seeing the lighter and ludicrous part of this whole political life, including aspects of his own party, as I am capable of seeing the same about my own.

When I get a lecture on fear from a Member opposite who, just a few years ago, was the author of the famous "Vote White - Vote PC" ads — the ads suggested that the end of the world would come if Indian people got involved and the CYI was involved in politics — I will never forget the death threats on my wife and on my children that came as a result of that advertisement on the eve of the 1982 election. I will never forget. I may be able to forgive, but I will never, ever forget that. So, don't Members over there talk to me about fear, because I know the kind of fears that majority groups can incite and provoke against minority groups. I have seen it. I have seen the terror. I have seen the gut-wrenching it can do, and I can see the terrible social crime that it is. Don't that Member talk to me about fear.

¹⁷ **Mrs. Firth:** He was not the author.

Hon. Mr. Penikett: If the Member for Riverdale North was not the author, he was one of the people who signed it.

Mrs. Firth: You said author.

Hon. Mr. Penikett: If he signs it he is an author. All of this has very little to do with the measure that is before us. I am inclined to think of all the Members opposite, even in their criticism, the Member who was most accurate was the Member for Hootalinqua, the Leader of the Opposition, who described this as a modest proposal. It is not going to end smoking and drinking in the territory. If it has a measure, as I said in my second speech on the main budget, of moderating abuse in some way, or if it provides an incentive for particularly young people to start engaging in these activities that is a good thing but it is a revenue measure and we are unashamedly supporting it.

Speaker: Are you prepared for the question?

Division has been called. Mr. Clerk, will you poll the House.

Hon. Mr. Penikett: Agreed.

Hon. Mr. McDonald: Agreed.

Hon. Hon. Mr. Porter: Agreed.

Hon. Mrs. Joe: Agreed.

Hon. Mr. Kimmerly: Agreed.

Mr. Webster: Agreed.

Ms. Kassi: Agreed.

Mr. Phelps: Disagree.

Mr. Brewster: Disagree.

Mr. Lang: Disagree.

Mr. Nordling: Disagree.

Mrs. Firth: Disagree.

Mr. Phillips: Disagree.

Mr. Coles: Agreed.

Mr. McLachlan: Agreed.

Clerk: The results are 9 yea, 6 nay.

Motion agreed to

Bill No. 34: Second Reading

Mr. Clerk: Second reading, Bill No. 34, standing in the name of the hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 34, entitled *An Act to Amend the Fuel Oil Tax*, be now read a second time.

Speaker: It has been moved by the hon. Government Leader

that Bill No. 34, entitled *An Act to Amend the Fuel Oil Tax Act*, be now read a second time.

Hon. Mr. Penikett: The purpose of this act is to broaden the scope of the *Fuel Oil Tax Act*. Several small changes have been made in the definitions which authorize the government to issue permits for the purchase of unmarked fuel for tax exempt purposes. Secondly, the amendments introduce search and seizure provisions which provide a mechanism that will help ensure compliance with the legislation. The search and seizure provisions introduced provide the Commissioner in Executive Council with the authority to appoint inspectors to enforce provisions of the Act.

The Act defines where an inspector may or may not search and the procedures and requirements for conducting such searches. The Act also defines the restrictions and the conditions attached to the seizure of evidence.

Under the existing legislation, the administration is limited to examining financial documentation relating to fuel purchase and sales. With the expansion of the exemption under the Act, it is necessary to make provisions whereby onsite storage facilities and equipment consuming the fuel, for example stationary generators, can be examined to verify that consumption levels are consistent with the manufacturer's specifications.

¹⁸ So these provisions provide inspectors with the authority to take fuel samples from vehicles or tanks to ensure compliance with the legislation. This is normal in the provinces with marked fuel programs and the authority being sought in the legislation is consistent with current practices and procedures in other jurisdictions.

Motion agreed to

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

Motion agreed to

COMMITTEE OF THE WHOLE

Chairman: I call the Committee of the Whole to order. At this time we will take a 15 minute recess.

Recess

¹⁹ **Chairman:** I will now call the Committee of the Whole to order. We are on Bill No. 17 *Fourth Appropriation Act, 1985-86*. Is there any general debate?

Bill No. 17 — *Fourth Appropriation Act, 1985-86*

Mrs. Firth: Yesterday, I was asking the Government Leader some questions with regard to the housing in Faro and I would like to pursue that direction and follow up a bit on it. I appreciate the Government Leader's comments on the housing market in Faro and how the government did not want to be in competition in that market, and therefore the trailers were going to be sold, but only to be removed from the town of Faro. Could I ask the Government Leader to give us a status report on what the relationship is now between the government and the new realtor who bought the housing properties from Curragh Resources? Does he have any communication with them?

Hon. Mr. Penikett: The only communication we have had was one month ago when the deal was being concluded between Curragh and Mr. Stehelin's company. They had a number of requests for us which we asked to have put into writing. I think they communicated to us through a lawyer and our lawyer responded and I think they were largely technical matters. Clearly, Faro Real Estate was concerned that, as this was a very expensive transaction for them, we not do something that completely undermines them. I think our specific commitment to them is not to go into competition with them. The specific commitment is not that we have to, in any legal document, move those trailers off the property or out of town, but most of the respective purchasers who have communicated with us,

clearly, are interested in doing just that. If there are some trailers that are left there because they are purchased for some other reason and they are not in competition with employee housing for Curragh employees, then we would not be in violation of our understandings with Curragh or the real estate company.

²⁰ **Mrs. Firth:** The second mortgage that we were guaranteeing to Curragh Resources, that automatically goes to the realtor when he purchases those houses?

Hon. Mr. Penikett: That only goes with our concurrence. It only gets transferred with our concurrence.

Mrs. Firth: Do you have a special agreement with the realtor now, or are they all conditions of the second mortgage?

Hon. Mr. Penikett: We have no separate agreement with the realtor. Our agreements are with the federal government and with Curragh.

Mrs. Firth: Therefore, am I to assume that the second mortgage is still with Curragh?

Hon. Mr. Penikett: Our second mortgage is with Curragh, yes.

Mrs. Firth: I thank the Government Leader for his answers. Could he tell us if any of the trailers have been sold yet, and for what price they are being sold?

Hon. Mr. Penikett: Not as far as I know.

Mrs. Firth: Could he tell us then what price the government is going to be asking for the trailers, or is that not set yet, or is it a confidential matter?

Hon. Mr. Penikett: The price has not been established yet.

Mrs. Firth: When does the Government Leader anticipate having a price set for those trailers?

Hon. Mr. Penikett: It is soon, but if the Member wants a very precise date, I will have to come back with it.

Mrs. Firth: Are the trailers going to be sold individually, or are they going to be auctioned, or how is the sale going to take place?

Hon. Mr. Penikett: They could be auctioned, but I am not quite sure how we are going to be doing that. I have to tell the Member though that a number of the prospective buyers are people who are interested in acquiring a large number of them, not just one or two.

Mrs. Firth: Is the government going to be taking that fact into account? If people are prepared to buy a larger number, will they be getting them for a better price?

Hon. Mr. Penikett: I would think that the laws of the marketplace will apply in those circumstances. I have never heard of a volume discount in terms of used trailers, but I guess that is possible.

²¹ **Mrs. Firth:** The Government Leader said last night that there was no marketplace in Faro. Am I to understand that there is now one?

Hon. Mr. Penikett: I said there was no market when we entered into the deal with respect to trying to reopen the mine. There is some kind of market there now.

Mrs. Firth: Some kind of market would be interesting to see. Is there going to be any further involvement by the government with the private realtor?

Hon. Mr. Penikett: The involvement is slight now. I do not know what further involvement there will be. We do not plan any.

Mr. Phelps: I am just trying to refresh my memory regarding our last discussions about EPF on page 1 of the financial summary. Was the Government Leader saying that the EPF will go down in future years.

Hon. Mr. Penikett: I was operating on that imperfect instrument, my memory. As the conversation emerged, I was reminded that basically what is happening is that the federal government has put a cap on the rate of increase for postsecondary education and health care money under EPF so the provinces will, in coming years, have to pay an increasing percentage of those costs.

Mr. Phelps: I would like to thank the Government Leader for clarifying that. I am looking at the financial summary on the first page of the document, Supplementary No. 2. Is the only amount contained therein relating to Cyprus Anvil contain their own capital under the expenditure item of \$3.9 million? Is the only item that we ought to be discussing to do with the housing and, in particular, the second mortgage?

Hon. Mr. Penikett: The \$1.6 million, as well, is under Community and Transportation Services. Just to clarify what the position is on EPF, the federal government has announced that in the next five years they are going to take \$2 billion out of the scheduled EPF transfers.

Mr. Phelps: I think you have put it in a more happy fashion the first time, in that the Government Leader said that they are taking the \$2 billion off over a period of years, but what that would do is radically restrict the rate of increase from what it is now, and not mean a diminishment per year, as I understand it.

Hon. Mr. Penikett: The \$2 billion is going to come out of the money under the previous established programs financing. The expected transfers under those programs to the provinces will go down \$2 billion in the next five years.

Mr. Phelps: I hope it is not that it is so late in the evening that I am missing something. With regard to the \$1.6 million then that is included here, and the trailers and the other things that were purchased, is it the intention of this government to move any of these trailers outside of the Yukon for sale?

Hon. Mr. Penikett: It is not our intention to move them out of the territory, but presumably if somebody purchases them, what they do with them after that is their business.

Mr. Phelps: The way that I understand it is, and I was trying to refresh my memory by going through the October 28 debate, it would seem from that, firstly, the idea was to take the two trailer courts out of the market. Is that the way that it was put by Mr. Lindsay? Is that a fair statement? At that time there was notice given to us that the idea was to take them off the market for the immediate future.

Hon. Mr. Penikett: We do not know what will happen in terms of the purchase. One of the parties that is interested in acquiring them — I say interested, but at least has called and made tentative inquiries about them — is an outfit which is interested in moving a significant number of them to Inuvik. There are other possible purchasers who are interested in moving them into Whitehorse, or some of them into Whitehorse. There may be other potential purchasers with other ideas, and I do not know what those ideas are.

Mr. Phelps: For much the same reason that there was a sensitivity of this government vis-a-vis a flooding situation in the supply side of the housing market in Faro — thus the commitment not to sell those units in Faro, in the foreseeable future — is the government going to be displaying the same kinds of sensitivity about flooding the supply side of the market in other areas of the Yukon when they go to sell those trailers?

Hon. Mr. Penikett: Well I hope we can be sensitive on that score. If, for example, one of the markets were Whitehorse and we were concerned about flooding that, I think that might be a more difficult proposition because presumably some of the potential customers for those trailers are people who are in that business here in Whitehorse. I might see that, given transportation costs, as being a very attractive supply of used trailers.

Mr. Phelps: Can the Government Leader advise us as to what the intended mechanisms might be for the sale of the trailers? By that I mean, is it going to be on an open tender basis, or are they going to be sized lots going for sale, sized amounts of trailers? There are a whole variety of things which might be attempted. Is there any plan and, if so, how would they be sold?

Hon. Mr. Penikett: We have not made a firm decision about that yet, but I expect to be involved in that kind of decision, in consultation with the Minister of Housing, within the next few days.

Mr. Phelps: I take it that the Minister of Housing you are referring to is the YTG Minister. Will there be consultation at all with any other representative bodies from the business sector of any of the communities with regard to this sale, such as the people in the realty business in general, or the Chamber of Commerce?

Hon. Mr. Penikett: I am not sure as to what extent we will engage in that type of consultation. I hope I am not betraying any commercial confidences, but some of the people who have expressed interest in acquiring these things are realtors themselves. I feel a little nervous making the general body of realtors aware that

one or two particular realtors are interested in acquiring them, because that may be improper in terms of commercial confidences.

Mr. Phelps: I am pleased if that is the case, that entrepreneurial stirrings are alive and well in the Yukon, that there are some people looking to make some money from the units.

Mrs. Firth: Is the government intending to keep any of the trailers for their own use? The Minister for the Housing Corporation said they were going to look at increasing some of the Housing Corporation facilities in the communities. Is the government going to be considering using any of those trailers for their own use, specifically the Housing Corporation?

Hon. Mr. Penikett: Perhaps the Minister of Community and Transportation Services might take that question on notice as it concerns the Yukon Housing Corporation. As far as I know, none of the vendors who are making inquiries at our door include any public body.

Mrs. Firth: I do not know how formulated the plans are, but I would like to ask the Government Leader, when the trailers are moved, are the purchasers going to be required to remove all the attached houses, porches, skirts, plumbing and those kinds of facilities?

Hon. Mr. Penikett: I believe it is fairly normal in the sale of such items that the purchaser has to clear the site. I assume that would apply in this case.

Mrs. Firth: I would like to move just for a few minutes to the \$1.2 million for health for the staff housing. I asked the Minister of Health and Human Resources a question about the \$1.2 million and whether that was still going to be going ahead, at which time she answered that they had not made the decision yet and she was not quite sure whether it was or not. She doubted if they really needed it now. Could you tell me what the government's position is on that one?

Hon. Mr. Penikett: The decision is, as they say in Washington, on hold.

Mrs. Firth: I gather then, from what the Government Leader says, that the \$1.2 million is to be turned back in revenue.

Hon. Mr. Penikett: If the expenditure is not made by next week, it will not be made this year.

Mrs. Firth: I would like to move onto the Job Evaluation Study and the implementation of it. Is there money identified in the supplementary estimates for the JES? Could you give us some idea of approximately how much?

Hon. Mr. Penikett: The costs of JES, or the collective agreement for wage increases for the employees, has been absorbed in the budget through every single one of the operating departments.

Mrs. Firth: Am I to understand then that the total amount is identified in the O&M 1986-87 budget, and nothing has been accounted for in this.

Hon. Mr. Penikett: It has been absorbed in the 1985-86 budget and is absorbed in the departments in 1986-87.

Mrs. Firth: I had mentioned earlier that we would be looking for breakdowns of the impact of the JES. I would like to give the Government Leader notice so that, when we get into the debates on the O&M mains, we can have some breakdowns by department and by program and by activity of the impact of the JES and the allotments of monies that will be put within the departments for the change of the salary dollars as a result of the JES.

Hon. Mr. Penikett: We can do that. I just want to be clear. Is the Member going to be asking for this under 1985-86 or 1986-87, and what portion of the personnel dollars in each of those departments is represented by JES. Is that the question?

Mrs. Firth: Yes. Also, it will be for 1986-87, which I believe will include the increase for the contract negotiations which will be effective on April 1. There is a pay increase that the civil servants will be receiving.

Hon. Mr. Penikett: What I can undertake to do, if it is acceptable, is to show for each department for 1985-86 what the costs of the increases as a result of the contract — and remember that the JES was put onto the bargaining table — will be for each department and the cost to each department in 1986-87 of the total increases as a result of the collective agreement including JES.

²⁵ **Mrs. Firth:** If the Government Leader could, I would prefer to have the costs separated. I want, specifically, the JES as related to the activities, otherwise we will not be able to make a cost comparison by the allotments identified in the budget.

Hon. Mr. Penikett: I hope the Member understands that that will take a little longer to obtain, and that I hope we will not have to hold up discussion on everything in order to get that. I will try to get it as expeditiously as I can. The Member should understand that once we have the breakdowns on that score for 1985-86, it may not be so easy to do it for 1986 and continuing years, because it becomes part of the base for the numbers.

Mrs. Firth: I am aware of that. As I mentioned before, my concern is the competitiveness that it has created. I know the Government Leader made some comments about me wanting to reduce all the salaries of the civil servants, and he knows that is really not true, that is not my intention.

I just wanted to raise the concern for the Government Leader, I noticed in the newspaper tonight that the CYI is advertising for a secretarial position, and the salary that they quote as being able to offer to that position is within the \$20,000 to \$23,000 range. The government is looking for a secretary in some department, and the salary that they are offering is within \$26,000 to \$30,000. I think that is quite a significant competitive factor that is created within the private sector. I know the Government Leader takes my concerns seriously, and perhaps he could give me some information about that.

Hon. Mr. Penikett: If I might suggest, I welcome the debate that the Member wants to have, and if it is about the bargaining positions, the comparability and the particular kinds of specific duties of people in this government, secretaries for example. We do not negotiate, as the Member knows, for secretaries on the basis of secretaries for the health department, or secretaries for the education department, or secretaries for economic development. We do it globally. So, if the Member would agree, then this would allow us to expedite the discussion. I am prepared to get as much detail as humanly possible for us in the time available for the PSC estimates in the Mains. If we could agree, by mutual consent, to forego the pleasure of the debate until we get to the PSC estimates, which is the bargaining agent for the government, I would be happy to get as much information on all the particulars and all the details in time for us to do the Public Service Commission vote.

If the Member will agree to that, I will make sure we get every bit of information we can.

Mrs. Firth: Yes, we would appreciate if the Government Leader would do that for us. We recognize his cooperation in helping us understand that. We did have a briefing session by the Public Service Commissioner regarding the JES, and I understand what the Government Leader is saying, that secretaries are no longer secretaries. They are all AR 1's to 19's, or something, now along with several other positions within the government.

I understand the concept of the JES and which portion of it is negotiated in the union contract. That was explained to us, although it was a very short time and unlike the managers, who are getting quite extensive courses in understanding the JES, I was able to grasp a few of the principles of it.

The more information that the Government Leader could provide for us, I think, the more constructive and fruitful our debates will be.

²⁶ **Hon. Mr. Penikett:** To make sure on what we are agreed: we will forego a detailed discussion of JES and the collective bargaining and comparable pay rates until we get to the Public Service Commission estimate. That one will likely be with the Public Service Commission staff at my right hand, as it were. With all the documentation we can have a proper debate on that whole question rather than trying to do it department by department as we go along.

Hon. Mr. Porter: I move that we now report progress on Bill No. 17.

Chairman: You have heard the question. Are you agreed?

Some Members: Agreed.

Chairman: I move that the Speaker now resume the chair.
Motion agreed to

Mr. Speaker resumes the Chair

Speaker: The House will now hear the Report from the Chairman of the Committee of the Whole.

Mr. Webster: The Committee of the Whole has considered Bill No. 17, *Fourth Appropriation Act 1985-86*, and directed me to report progress on same.

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

Some Members: Agreed.

Hon. Mr. Porter: I move that the House at its rising do stand adjourned until Tuesday at 1:30 p.m., 1986.

Speaker: It has been moved by the hon. Government House Leader that the House, in its rising, do stand adjourned until 1:30 p.m., Tuesday, April 1, 1986.

Motion agreed to

Mrs. Firth: I move that the House do now adjourn.

Speaker: It has been moved by the Member for Whitehorse Riverdale South that the House do now adjourn. Are you agreed?

Motion agreed to

Speaker: This House now stands adjourned until 1:30 p.m., Tuesday, April 1, 1986.

The House adjourned at 9:27 p.m.

The following Sessional Papers were tabled on March 26, 1986:

86-3-16

Report on the Yukon River Basin Study (Porter)

86-3-17

The Nairobi Forward-Looking Strategies for the Advancement of Women (Joe)

The following document was filed on March 26, 1986:

86-3-2

Correspondence regarding municipal financing (Lang)

