

The Pukon Legislative Assembly

Number 12

3rd Session

26th Legislature

HANSARD

Monday, April 7, 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 Old Crow

Norma Kassi Art Webster

Klondike

OPPOSITION MEMBERS

Progressive Conservative

Liberal

Willard Phelps

Leader of the Official Opposition

Hootalinqua

Roger Coles

Liberal Leader

Bill Brewster

Kluane

James McLachlan

Tatchun Faro

Bea Firth

Whitehorse Riverdale South

Dan Lang Alan Nordling Whitehorse Porter Creek East Whitehorse Porter Creek West

Doug Phillips

Whitehorse Riverdale North

LEGISLATIVE STAFF

Clerk of the Assembly

Clerk Assistant (Legislative) Clerk Assistant (Administrative)

Sergeant-at-Arms Hansard Administrator Patrick L. Michael Missy Follwell Jane Steele G.I. Cameron

Dave Robertson

Whitehorse, Yukon
Monday, April 7, 1986 — 1:30 p.m.

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

Prayers

DAILY ROUTINE

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

Are there any Returns or Documents for Tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. McDonald: I would like to table, this afternoon, the report on the activities of the Department of Protective Services within the Department of Community and Transportation Services, for the year 1985.

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

INTRODUCTION OF BILLS

Bill No. 77: First Reading

Hon. Mr. Kimmerly: I move that Bill No. 77, entitled Lottery Licensing Act, be now introduced and read a first time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 77, entitled *Lottery Licensing Act*, be now introduced and read a first time.

Motion agree to

Bill No. 85: First Reading

Hon. Mr. Kimmerly: I move that Bill No. 85, entitled Miscellaneous Statute Law Amendment Act, 1986 (No. 1) be now introduced and read a first time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 85, entitled Miscellaneous Statute Law Amendment Act 1986, No. 1, be now introduced and read a first time.

Motion agreed to

Speaker: Notices of Motion for the Production of Papers? Notices of Motion? Statements by Ministers?

QUESTION PERIOD

Speaker: Are there any questions?

Question re: Group home

Mr. Phelps: Given the hot news item that has been in the news for the past several days, namely the proposed group home for young offenders at 501 Taylor Street in Whitehorse, I have a question of the Minister of Health and Human Resources.

I am wondering whether she could tell this House whether she consulted with any of her fellow colleagues — Cabinet Ministers — in making the decision to purchase the dwelling at 501 Taylor?

Hon. Mrs. Joe: Yes, I did.

Mr. Phelps: Could the Minister advise this House whether that decision was a Cabinet decision? If so, when was the decision taken?

Hon. Mrs. Joe: Yes, it was.

Mr. Phelps: I heard the answer, "yes it was". I do not believe I heard as to roughly when the decision was taken.

Hon. Mrs. Joe: I am sorry, I do not have the exact date. I can get it for the Member.

Question re: Group home

Mr. Phelps: With regard to 501 Taylor Street, given the situation wherein this house had been for sale for a considerable period of time — it was advertised in all the papers for months and months last year — and given that the Member for Riverdale North sent a letter to the Minister in January of this year, and that letter really gave notice to the Minister that there was an appeal in the making of the Planning Board Decision, can the Minister tell this House why the house was finally purchased later on, in February of this year?

⁶⁰ Hon. Mrs. Joe: I was not aware that the Minister for Riverdale North spoke on behalf of the City. I was not sure if that was an official notice of an appeal.

Mr. Phelps: Given that there was notice of the problem and the facts surrounding the presentation that was ultimately made to the Board of Variance of Whitehorse, can the Minister advise the House as to why there was such a hurry to purchase this building when there was such a cloud hanging over the rightful use of the building?

Hon. Mrs. Joe: There was a cloud hanging over the young offenders who we were responsible for, as well as the cloud hanging over many other things. We purchased it at that time because it was needed.

Mr. Phelps: At the time of purchase was the Minister aware that the house might not be legally put to the use that it was intended for?

Hon. Mrs. Joe: We were not aware of any appeal at the time that we purchased it. We read in the papers that there might be one but we were not aware that there was.

Question re: Northern Canada Power Commission

Mr. Coles: After tabling the letter last week from Yukon Electrical, is it the Minister of Justice's opinion that the Utilities Board is going to be the judge as to whether or not the contract and the House has no input at all?

Hon. Mr. Kimmerly: I made a commitment last week to give the date of that letter. It was February 17, 1986.

Concerning the question, it is obviously an argumentative question seeking an opinion. The answer is absolutely clear. The fact is that the Members of this House will have an opportunity to express their views. They are doing so in the Question Period. There is ample opportunity at other places on the Order Paper. I would suggest, also, the Main Estimates as a good place to debate that issue.

⁶⁴ Mr. Coles: Does the government intend to put the contract to the House for approval and debate?

Hon. Mr. Kimmerly: The government certainly intends that the principles involved be the subject of debate in this House. The specific wording of the specific contract may come from here before the contract is signed, but I would be foolish to give a commitment of precisely that. Indeed, I would suggest that this House would be interested in debating the specifics in a contract, not all of the alternatives and intricacies of the wording of a specific contract.

Mr. Coles: Why does the release of a document of this magnitude depend on one private company when it is going to have a tremendous effect on the whole territory?

Hon. Mr. Kimmerly: It does not. The YECL has expressed an opinion on the subject and the reasons are contained in the letter that I tabled. The government, as a matter of policy, agrees with those reasons.

Question re: Group home

Mrs. Firth: I have a question for the Minister of Health and Human Resources regarding group homes. In light of the decision of the Board of Variance on Friday, what does the government intend to do regarding the 501 Taylor Street property?

Hon. Mrs. Joe: From my information, we have 20 days to make a decision on that and we will make a decision sometime before the 20 days is up.

Mrs. Firth: I was of the impression that this was a rather urgent matter and when asked for comment last Friday by the media the response was given that a statement would be issued today

regarding what the options were and what direction the governemt would be going in. Since the property owners have expressed clearly that they do not want a young offenders facility at 501 Taylor Street, what is the Minister intending to do with the property?

os Hon. Mrs. Joe: The question is hypothetical, and I will answer it when I have to. I do not have to answer that now because we have not made a decision on whether or not we are going to appeal it.

Mrs. Firth: I understand then that there has not been a decision made, and the Minister is going to wait another 20 days before she announces what the decision is going to be regarding this urgent matter?

Hon. Mrs. Joe: I did not say we were going to wait 20 days. I said there was a 20 day appeal time. We have not made a decision. I may have told the press that I would have a decision by Monday. We do not have a decision. It is just not something you can jump into and decide in a couple of hours.

Question re: Group home

Mr. Lang: There seems to be a lot of decisions about 501 Taylor Street not being taken. I want to refer to the comments the Minister made on Thursday to a question that I posed to her about the swimming pool. She stated, "We have discussed the swimming pool at great length because we knew it was going to be controversial."

She was referring to when she made the decision to purchase the house. Why was a decision not taken at that time as to what use the pool would be put to when you purchased that particular \$187,000 facility?

Hon. Mrs. Joe: The opposition keeps talking about the large expenditure and the \$187,000 purchase of 501 Taylor. We were trying to save money when we purchased that home. When we bought the facility, we did not take into consideration that the pool was there because we got a good deal on it — \$187,000 is a good deal. We were looking at a number of other buildings at the same time. We decided that if the pool could be put to good use in a young offenders facility, then we would leave it there. That pool just happened to go with the house when we decided to buy it.

Mr. Lang: That particular house was on the market for well over a year. I would like to know when the house was purchased. In the decision that was made by the Minister and her Cabinet colleagues for the purchase of the home at 501 Taylor Street, was the cost taken into consideration to operate the pool? Was a cost accounting given by the department or by the real estate company to give you an indication of what costs would be associated with running such a facility, when it was purchased by the government and untilized by the government?

Hon. Mrs. Joe: We did not buy the house because it had a pool. The pool just happened to be in the house when we got it.

Mr. Lang: We bought a house with a pool, but we never considered the ramifications of what the pool were going to be, yet, at the same time, she recognized that it was going to be controversial as far as part of the purchase was concerned.

Did the department, in conjunction with the Minister, present to the Cabinet, the costs associated with running that pool with the purchase of that home with respect to the *Health Act* and the regulations that accompany it? Is it the intention of the government to hire a lifeguard, which is one of the requirements if you are going to run a pool?

Mon. Mrs. Joe: I explained that situation many times. We knew that there were going to be people like the Member for Porter Creek East who were concerned about the pool and we discussed it. When I presented it to Cabinet, there were certain things that I had to discuss. As the Member knows those things are confidential and you do not talk about Cabinet meetings here in this House. There was a problem of knowing that people would be opposed to it but we had to take those chances. Any time that you do something you know there is going to be controversy somewhere. Nothing is perfect in this world.

Question re: Group home

Mr. Phillips: I asked the Minister of Health and Human

Resources on April 1 if she knew that she had to apply to the City Planning Board to change the zoning to clear the way for a secure custody facility in the Whitehorse Assessment Centre. On April 3, the same question was asked of the Minister by the Member for Riverdale South. The Minister stated again that she had not checked yet. Can you tell the House today, seven days after the first question, if she has found out whether or not the zoning will have to be changed to accomodate a closed custody facility in the Assessment Centre?

Hon. Mrs. Joe: As I mentioned last week during Question Period, our legal department is looking into all of the things that we may or may not have to do. As soon as I get that information, I will gladly let the person from Riverdale North know what the answer is.

Mr. Phillips: I would like to correct the Minister. She did not say that to me at all last week. She said that she did not think that they had to do this and that she would undertake to find out whether or not they did. I have checked, unlike the Minister, and I think that they do have to change it. Would the Minister now tell the House when she will check, and will she get back to the House with that answer?

Hon. Mrs. Joe: I just said to the Member for Riverdale North that I would have that answer back to the House when I have it. The Member for Riverdale North has checked with certain people on the Planning Board with the City Engineering Department to find out what this government would have to do in order to open that facility.

I think that the Member for Riverdale North needs a little more information on what we plan on doing with that house. He may be giving the wrong information. As far as a I know, the city bylaws cannot accommodate the type of home that we are looking for. They cannot accommodate the group homes that we have in the city right now. There is no provision for them in their bylaws.

Mr. Phillips: The Minister has clearly told the public and told us in this House in a Ministerial Statement that she is going to put a secure custody young offenders facility in that area. When does the Minister plan to find out if, in fact, she can even do that?

Hon. Mrs. Joe: I told this House the other day that, according to the Young Offenders Act, secure custody is custody in a facility designated by the Lieutenant Governor in Council for the secure containment or restraint for young persons. What that means is that each jurisdiction can decide the kind of facility that it wants. We do not plan to build a place — or a jail, as it has been referred to by the Member for Riverdale North and members of the media —, we plan to open a centre to house these young offenders in secure custody.

That does not mean that it has to have bars. It does not mean that it has to have all sorts of other things. We can open it up and use it to house young offenders in a much more secure manner than what is being used now for young offenders in open custody.

Question re: Northern Canada Power Commission

Mr. Coles: Taking over control of our own energy resource is a major step for all Yukoners and to have an Alberta company calling the shots on what is going to be made public and when makes us feel a little uneasy. Is there any term in the agreement preventing disclosure?

Hon. Mr. Kimmerly: There are essentially two questions there: one is the rationale for selecting a private company, which involves a fairly lengthy answer and an answer which lends itself to debate, I would suggest. The second question is a specific question about a term in an agreement preventing disclosure.

I think it is important to point out that we have no agreement, in any legal sense. We have a letter of understanding and in answer to an anticipated supplementary, the letter of understanding does not contain a non-disclosure provision.

Mr. Coles: Then why will not the Minister put the letter of understanding on the table for all the Members of this House to see?

Hon. Mr. Kimmerly: I have answered that question before. I have said that a letter of understanding will be public at some point in the future. The reasons why it is not public now is that there is some important negotiating to do before it becomes a matter of

public knowledge and very probably the subject of misconceptions and misapprehensions. The most important of those negotiations is the negotiations between the unionized employees and their prospective new employer.

Mr. Coles: We were made to believe that one of the express purposes of setting up the Yukon Development Corporation was for Yukoners to take over their own electrical energy resource. Why is it simply being handed back to an Alberta-based company?

Hon. Mr. Kimmerly: It is not simply being handed back to anybody. We are maintaining control of the NCPC when we get it within the Yukon Development Corporation for the benefit of all the ratepayers and taxpayers of Yukon. We are not giving up any control.

08 Question re: Group home

Mr. Phillips: The Minister of Health and Human Resources stated a few minutes ago that the building may or may not have bars on the windows, but will be a secure facility. Can she elaborate for the Members of the House and the public how a facility could not be secure if it does not have bars on the window? Will they just ask the inmates not to leave?

Hon. Mrs. Joe: These young people we are talking about are the same people who were housed in homes all over the Yukon under the Juvenile Delinquents Act. They are the very same people. They are being sentenced in a different manner. They are being dealt with in a different manner. Prior to 1984, they were housed in those facilities like the detention centre, like 5030 Taylor, like the home on Klondike Street that the Member lives on. We are going to be housing them in a much more secure facility. That security will be by the way of more staff per ratio.

Right now we have three young people who are in Willingdon, outside. Three weeks ago we had no people there. We have anywhere from no kids in secure custody to five. We are not looking at 20 people at one time. For the information of the Member for Riverdale North, we are looking at rehabilitation, not institutionalizing those young people. Hopefully, someday down the road, we will be able to do that for some of them.

Mr. Phillips: I would like to clear up a little misunderstanding. The Minister stated that we have been doing this for a long time. I understand that these youths who have been under this charge are simply on remand; they are not sentenced like they are, and they are not sentenced to what the Minister has clearly said is a closed custody facility.

What we are talking about here — a closed custody facility — is a polite way of saying "jail". Let us not fool anybody. "Closed custody" means the doors are locked, there are bars on the window, it is closed custody. It does not mean they can come and go as they obviously have been coming and going.

Can the Minister tell me what she is going to do to make that facility a closed custody facility with the \$15,000 or \$20,000 she said it was only going to take to renovate that facility?

Hon. Mrs. Joe: I think that the Member for Riverdale North has a hard time understanding what I am trying to say. Maybe it is the way I am saying it. We will not be housing a lot of young people in that centre. We will be housing, hopefully, no young offenders to maybe five. That is the most we have ever had in custody at the same time. We will be using more staff to look after those young people who are housed. They are not dangerous criminals. We have already mentioned that we will be sending out those young offenders who could be dangerous to Willingdon, or wherever they have to go.

Mr. Phillips: I am getting more and more confused as I am asking the questions. The other day, in response to my question about the building and the staff, the Minister stated that the same staff would be used. Now she has told the House that they are going to use more staff. I suspect this may be goons at the door to stop people from coming and going.

If the door is going to be locked, will the building meet the building codes? Will the door be locked on a 24 hour basis?

Hon. Mrs. Joe: I think the Member would like to see goons at the door. What I said is we would be using probably the same amount of staff, but there will be fewer young people in there. The first time I went down there to visit, there were 18 young people in there. Now we will have anywhere from no people in there to no more than five at any given time. We will be using the same amount of staff as we have been using to look after those kids who have been in and out of there since 1970.

Question re: Raven carving

Mr. Brewster: We should probably go on to the raven and that will change the subject a little bit. I am very, very pleased the Minister took my advice in my letter of October 29, to get the raven carving down at Expo. I would, however, have appreciated it if he would have replied to me. Where was the raven carving done?

Hon. Mr. Porter: My understanding is that the raven was carved in Vancouver. As for the reasons for having the raven carved in Vancouver, it was decided that to adequately display the raven it should be a large carving, and as a matter of fact the carving stands over seven feet in height. What we were talking about in terms of the carving is that because it was a large carving we were better to use the woods native to British Columbia. There was a huge piece of log that went into the construction of the raven, which was a power-saw, or chain-saw carving. I suspect in the end it was a good decision.

Mr. Brewster: My information is that it is only six-and-onehalf feet large. I have talked to local native carvers and they assure me that the carving could have been done up here with Yukon wood. With the modern facilities they have nothing would have happened to it. Can you explain to me why these native carvers in the Yukon were not ever consulted in this matter?

Hon. Mr. Porter: Expo opens on May 2nd. For a while we did not know of the dollar situation of the pavilion. As we went along we were always within budget and, today, as we near opening day, the financial figures do indicate that we are going to be totally within budget. The allocation of dollars all along was uncertain. As to the effort in terms of Expo, where possible we were trying to build the pavillion and all the accessories included in the pavilion in a cost-effective manner. I think that in terms of looking at this particular carving and issuing tenders here, I would say that it would have been more expensive to commission a carver here for a work of that size, and then to transport the carving to Expo, as opposed to getting a carving done in the area.

Mr. Brewster: What was the total cost of the carving?

Hon. Mr. Porter: I do not have that information at my fingertips so I will go back to the department, obtain the information and make it available to the Member as soon as practicable.

Question re: Community College

Mr. Lang: I have a question for the Minister of Government Service whom I put on notice last week. It has to do with the contracting out of various services for the new community college, namely the sheet metal, electrical and mechanical, which presently are being tendered as one tender document, which makes it almost impossible for anybody locally here as a general contractor to bid upon it because of the magnitude and size of the contract, which I believe to be in the neighbourhood of two to three million dollars. What steps has the department taken with respect to rectifying the situation so our local contractors can bid?

Hon. Mr. Kimmerly: I thank the Member opposite for the question and opportunity to make public steps that were taken. I phoned him at 8:30 this morning, but he was not in at the time. The mechanical contract on the second building is in excess of \$2 million. We are extracting out the sprinklers and the plumbing from that contract in an effort to see if we can generate local bids. That is the procedure that was followed at the law centre. We received one local bid at the law centre for sprinklers, and we will see how this works. The packaging of the contracts on the third building will be decided after we see the response on the contracting on this building.

I should advise the Member that there are some risks in lack of efficiency when we break up mechanical contracts; however, it worked fairly well on the law centre. I have instructed the department to break it up on the Yukon College construction.

Mr. Lang: Do I take it from the comment made by the Minister that the decision has been made that the electrical, mechanical and sheet metal will not be split up. It will be one tender, is that correct?

Hon. Mr. Kimmerly: I was speaking about the mechanical contract that used to include the sprinkler system and the plumbing, as well as a whole host of other things. The sprinklers and the plumbing will be extracted out of the total mechanical contract.

Ouestion re: Northern Canada Power Commission

Mr. Coles: In the agreement with Yukon Electrical, can the Minister of Justice tell us if there is a time commitment to the company?

Hon. Mr. Kimmerly: It is a letter of understanding, not an agreement. It is an understanding towards negotiating an agreement. The commitment is generally to do things as soon as possible; however, the time limit is the end of March, 1987, which is the limit in the original memorandum of understanding between the federal government, the Yukon and the Northwest Territories.

11 Mr. Coles: Is there a commitment to Yukon Electrical as to the amount of time their contract is: ten years, 20 years?

Hon. Mr. Kimmerly: No, not specifically.

Mr. Coles: Does anything in the agreement preclude municipalities from taking over their own power distribution?

Hon. Mr. Kimmerly: The answer to the question is no, but in order to avoid misunderstandings, the federal Northern Canada Power Commission Act is relevant about that particular consideration.

Question re: Regional Resource Roads Program

Mr. Nordling: In October, 1985, the Minister of Community and Transportation Services announced an allocation of \$2.5 million for a regional resource roads program. As spring is now approaching, what is happening with that program?

Hon. Mr. McDonald: I thank the Member for his question. The program is very much alive. The details of the program have been announced. The applications from the forestry industry, from mining companies, from the fishing industry have been coming in to the Department of Community and Transportation Services. I would hope that as full as possible utilization of that \$2.5 million can be made for the benefit of the various economic sectors in the territory.

Mr. Nordling: Then I take it from the Minister's answer that the program has received Cabinet approval. Of the 70 kilometres of road that were mentioned would be built this year, is anything underway in that regard?

Hon. Mr. McDonald: The program itself received Cabinet approval some time ago, sometime in 1985. It received legislative approval in November, 1985. There are a number of proposals already before the Resource Roads Management Committee for the purposes of undertaking some construction work this construction year, the status of which I could find out about for the Member if he has any specific questions he would like to ask.

Question re: Wolf studies

Mr. Brewster: At the present moment, how many separate studies are being done on wolves, including the removal programs and the study programs?

Hon. Mr. Porter: The only one that I can recall offhand, at this particular point, in addition to the ones listed by the Member for Kluane, is a study that is being funded by the Foundation for North American Wild Sheep with respect to the south Yukon. I will double check on that and run that by the department to see if there are other studies other than what is being funded by the Foundation's grant to the department.

¹² Mr. Brewster: Who is paying for the snaring wolf project on the Donjek River?

Hon. Mr. Porter: I do not recall the existence of that program. It could be a program of our own. The only other group that could possibly be undertaking a snaring program would be the Yukon Trappers Association. If they are, it would have to be, I suspect, in conjunction with officials from the department.

Mr. Brewster: In the study on the Donjek River, there is one individual up there studying. Is he studying for a university degree, and who is paying for this study?

Hon. Mr. Porter: Without trying to guess on that particular question, I believe I remember seeing some information that concerned a student doing some work in conjunction with the department. As to whether or not that student is specifically working on this project, I would like to ask the department for substantiation on that question.

Response re: SEAL Program

Hon. Mr. Penikett: Last week I was asked a question by the hon. Member for Porter Creek West in connection with the Savings Energy Action Loan approval time. I want to advise the Member that, for applicants from Whitehorse, the average length of time between initial application and completed audit is 22 days. That ranges from eight to 34 days. Often the cause of delay in these applications has been the absence of sufficient information to provide an accurate analysis. As I indicated to the Member last week, once the backlog is cleared away, we expect the audit will be scheduled, performed and completed within two weeks of receipt of the application.

For those applications from communities outside of Whitehorse, the duration is longer. Currently there are six loan applications from Watson Lake, and six from Dawson City awaiting energy audits, and a trip will be scheduled to each of these communities this month in order to carry out the audits.

I was also asked about the number of loans which have been granted. The SEAL program has been in existence since September 1984. In the first 17 months of the program, 47 loans were approved. In the two months since the program changes to SEAL were completed, 35 loans were approved, including six extensions to loans processed under the old regulations, and three approvals for energy audits conducted previously at the homeowner's expense. A total of 25 more are pending approval, 13 within Whitehorse and 12 outside of Whitehorse.

On the question of payment of SEAL directly to the installer, which was also put to me by the Member for Porter Creek West, it is now the responsibility of the SEAL client to provide the interim financing; however, the legal and administrative questions surrounding the payment of the loan directly to the supplier, at the request of the SEAL client, are being investigated by the department.

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

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 44: Second Reading

Clerk: Second reading, Bill No. 44, standing in the name of the hon. Mr. Kimmerly.

Hon. Mr. Kimmerly: I move that Bill No. 44, entitled An Act to Amend the Coroners Act, be now read a second time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 44, entitled An Act to Amend the Coroners Act, be now read a second time.

Hon. Mr. Kimmerly: The principal of the bill is very simple and the motivation comes out of a federal-provincial meeting of coroners. As a consequence of the Canadian Charter of Rights and Freedoms, it is deemed appropriate to bring the search and seizure powers of coroners in line with the Constitution. There is presently a wide and general power, and this act is designed to be more specific as to the powers of the coroners in matters of search and seizure.

13 Motion agreed to

Bill No. 70: Second Reading

Clerk: Second reading, Bill No. 70, standing in the name of the hon. Mr. Kimmerly.

Hon. Mr. Kimmerly: I move that Bill No. 70, entitled An Act to Amend the Liquor Act, be now read a second time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 70, entitled An Act to Amend the Liquor Act, be now read a second time.

Hon. Mr. Kimmerly: This is very simple amendment. The amendment deals with only one subsection of the *Liquor Act*. That subsection was assented to in May, 1984. It is thought by the government that it it is unduly restrictive. It restrains trade especially in the few specific instances involving lodges on the Alaska Highway. It is intended to remove the restriction in order to allow for an increased competition in the liquor trade.

Motion agreed to

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

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

Motion agreed to

Speaker leaves the Chair

Chairman: I now call the Committee of the Whole to order. We will now take a recess.

Recess

¹⁴ Chairman: I will call Committee of the Whole back to order. General debate on Community and Transportation Services continued.

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

Hon. Mr. McDonald: The Member for Porter Creek East asked a couple of questions last week and I told him I would get back to him as soon as possible and today is the day.

With respect to the ski chalet that he referred to, as mentioned last week, the total YTG contribution was \$2,325,000, which included \$95,000 for debt payout. The original capital budget showed a budgeted item of \$1.4 million, which means that the government topped that up to \$2.3 million, which was the final product, and we drew from a number of projects in order to do that, plus sought a supplementary.

One of the most signicant of those projects was the Haines Junction Arena, which was delayed until this coming capital year.

With respect to Bear Creek, the Member wanted to know what in the 1985-86 capital year was spent in the area, and I believe a total of \$32,000 was spent for the digging of a drainage ditch behind properties. There was some culvert work that was done on the highway. That was done under the auspices of the Department of Highways and was essentially done as well for highways purposes of glacier control. Essentially, the drainage ditch was the priority work and \$32,000 was spent in that area.

Mr. Lang: Prior to getting into overall policy questions, I would like to direct a question to the Government Leader in respect to the service contracts I asked for information on, I believe, approximately 10 days ago. I repeated that particular question in Question Period and the Minister gave his undertaking he would do what he could to get us that information. It is valuable information and I am wondering why it cannot be provided to the House for consideration.

15 Hon. Mr. Kimmerly: There were two questions, I believe. One is the written question of the contracts from October 24 to the date of the question. Those should be ready this week. It is a substantial amount of work to collect all the contracts and photocopy them. It was not the practice of the previous government. It is a huge stack of paper, as the Member appreciates. It should be ready this week.

The second question was the missing contract numbers of the old written question. I have all those here now. I will table them. There are 40-odd pages. The reason for the extraction of those contracts

was that those are not technically service contracts. They are, for the most part, equipment rental contracts. The civil service had extracted those out as not being asked for. They were subsequently asked for, and there they are.

Mr. Lang: I want to thank the Minister for his cooperation on this. As he knows, I gave notice about 10 days ago, recognizing the time lag and the time constraints involved in the procedure that has to be gone through. From our perspective, if a copy could just be sent, as they were entered into, to the PC Caucus officials, it would suffice, and we would not be in this situation where all of a sudden it turns into a two-day job. It is just a question of procedure. Perhaps he could comment on that.

Hon. Mr. Kimmerly: I am not inclined to even ask the department to send a copy to me. It is a lot of paper, and it is an extra bureaucratic piece of red tape. It all costs money as the Member has said in the past. What we are talking about is literally thousands of papers to be photocopied, and there is no particular secret about any of it. I am wondering if it is not more efficient for the researcher, or whomever looks at them, to look at them without copies being made. There is no effort to keep it a secret, but it not a suggestion that appeals to me even for my own information.

Mr. Coles: Could the Minister reiterate why he has turned down miners who wanted the Clear Creek Road in the Mayo area opened and some minor work done on it, when the government does the same on the Mount Nansen Road, the Freegold Road, the Hunker Creek Road and many others in the territories.

Hon. Mr. McDonald: A person from my riding made representation to me last fall on the maintenance and upgrading of that road. The department reviewed the request at that time and determined that the road was essentially non-maintainable. It would require Cat work and not grader work. For that reason, it would be difficult to open it up.

Further to that, there were no funds budgeted to undertake that kind of work. I did not want to simply say no to the miners on the Clear Creek Road, certainly not before more thorough analysis was done. I promised that that analysis will be. I have my department officials now looking at whether or not even a portion of the opening of the road could be done for the placer season. If it proves viable and is within budget, we will undertake to do it.

I do recognize that it is a fairly lengthy stretch of road, approximately 25 miles, but it has not been maintained in the past and that is the difficulty. It is not engineered for maintenance. It is engineered for Cat work, and that is an expensive process.

17 Mr. Coles: The Mount Nanson Road is much worse than the Clear Creek Road, and it is 40 miles long. The government does open it and do a bit of maintenance on it every year. I have had representations from placer miners, the same one you are speaking of, I am sure. Queenstake does grade that road every year and do maintenance on it themselves, so they do use graders on it to maintain it now.

Hon. Mr. McDonald: There has to be some sense that when the government undertakes a project like that they do not do it lightly. We are talking about fairly sizeable amounts of money. Perhaps the Member for Porter Creek East is aware of what has happened prior to my tenure in this position. It was only brought to my attention in the fall of 1985. At that time, there was no departmental information to assist us. As I understand it, there is a need to have the road engineered to a standard which will allow maintenance. I am not a highway engineer myself, and I have not even travelled the Clear Creek Road. I am not familiar with whether or not a grader could travel that road without chipping a blade or anything else.

I have indicated to Mr. Klassen in Mayo that should the road be maintainable, to the extent possible we would attempt to do that if the cost were not prohibitive. If it is determined that upgrading can be done in a cost effective way, and it will be of great assistance to the miners in the area, then we will certainly do our best to review the costs and bring those costs back to the Legislature for approval this coming year.

Mr. Lang: I can maybe forward a little background on this. The previous government was very seriously considering the question of maintaining that particular road. Representation had

been made at that point. With changes and various other things, unfortunately, for one reason or another — no fault being put on that side of the floor, nor with the previous government — it did not get the necessary approval through the procedure of Cabinet, which is required for the purpose of putting them on a list for the purpose of maintenance.

My understanding was that all the operators up there wanted, basically, was for a grader to go in in the spring, and maybe once over the course of the summer. I want to assure the Member opposite that the road can be done with a grader. I have been over it, and I am sure the Member for Tatchun has. There is no reason that a government grader could not go up to the end where the road ceases.

With that understanding, I do not think that it would be very onerous on the government. I think that if the government chose to do it, and even a letter that it was the intent of the government strictly to go in once or twice a year to ensure that the road was passable, I think that would suffice, at least for this initial year. What I am afraid of, from the Minister has indicated to the House, is that we will be waiting another year as we go through the bureaucratic red tape that is required for the purpose of getting to the point that you have spoken of. Then you are in a situation, and I concur with the Minister, where you will be committing fairly substantial sums for the upgrading of the road. I do not think that is the intent of the Member for Tatchun, nor is it the intent for this side of the House, as far as the Conservatives are concerned, to see a major amount of money spent for the upgrading of that particular road.

If you could see within your resources, and I think that you have unanimous support here, to go ahead and see what you could do this April. Under the executive authority that you are vested with as a Minister, I think he would find that there was support here. I think that you could do it within your budget in view of the fact that you have chipseal and everything else, and your requirements for maintenance are becoming less and less as far as the whole highway network is concerned.

18 Perhaps the Minister could comment on that? I think that is the spirit of the proposal put forward by the Member for Tatchun as well as ourselves.

Hon. Mr. McDonald: The policy 4/9 does refer to the list of roads that the Department of Highways is allowed to maintain. I cannot change that policy myself. It will require Cabinet approval. I gave an indication already that if the road was considered maintainable, I will take the representations from the Members who have travelled the road, the Member for Porter Creek East and the Member for Tatchun, back to the department. If the road is able to be maintained and the 25 miles are not prohibitively expensive and will not jeopardize any of the existing programs, we will certainly do what we can to open the road.

Mr. Lang: I will take that as an undertaking. I would like to put the Member on notice that this time next week in Question Period or in some other format in the House, I will be asking the question about what decision has been taken. I do not think we can wait until May or July.

Mr. Coles: I just want to make sure the Minister does understand that one of the biggest fears of the miners out there is that, when we bring this into the Legislature, they are going to put out a contract and rebuild the whole road, similar to what happened on the Freegold Road. There are seven placer operations out there now. It is only 25 miles of road. There were three placer operations at Freegold when the government rebuilt 40 miles of road and maintained it actively from spring until fall. I would like you to keep that under consideration.

I also have people in Pelly Crossing who would like to know if the government would consider maintaining the Pelly Farm road, the 60 miles into Pelly, which is used by seven families in that area.

Hon. Mr. McDonald: With respect to the Pelly Farm road maintenance, I understand that some maintenance of that road was done during this winter. That is a fairly long road, but I understand it is in reasonably good shape. I will have to take that question under notice. I am not familiar with how many people are at the end of the road now. I am not sure what it would cost to maintain the

road on a regular basis.

The Member for Porter Creek East is perfectly entitled to ask a question in Question Period next week. I do not guarantee that I will be able to respond to the question with any sort of alacrity. The change in the decision to upgrade that particular road, or to add it to the maintenance schedule will require Cabinet approval, and I am not going to do damage to that principle at all to accommodate the Member.

With respect to the Clear Creek Road again, it appears to me that we are ferociously agreeing here on the one principle that, should it be at all cost-effective, we will undertake to do our best to satisfy the concerns of the miners on that road in the same manner that we would do it for other roads. I understand the problem that the Member refers to. There are times when the Department of Highways wishes to upgrade roads beyond the standard of what is considered reasonable by the miners themselves.

There has to be a basic principle, which is that the road has to be maintainable without any danger to the grader on the site.

19 We will look into it and, as I told Mr. Klassen in Mayo, if it does conform to our understanding of the situation we will undertake to assist

With respect to the Pelly Farm road I will have to review it for the Member.

Mr. Coles: With respect to the Pelly Farm road, the biggest concern they have is snow removal, more than summer maintenance. Each year there are more and more mining companies, and more activity on that road, as well as tourists, and hunters in hunting season and there are seven families in that area now.

Mr. Lang: Could I go back to the area where we ceased debate the other day. That was the question of Bear Creek and the problems associated with that area. I know that there were significant problems and as the Minister indicated \$32,000 has been spent, plus the figures he did not provide this House for the culvert for the road that is in close proximity to the sub-division that was thought would, I believe, help with the runoff and perhaps resolve some of the problems confronted by the residents of Bear Creek.

What steps are the government taking in view of the decision rendered by the Water Board?

Hon. Mr. McDonald: I am sure Mr. Chairman will be interested in what I have to say, as well. First of all, the culvert work that was done was done partially to help the people in Bear Creek to allow for redirection of the river away from the slough. The culvert work was done underneath the highway also for glacier control in that area as well. That particular decision came under some scrutiny by the Water Board as the government had failed to secure a water licence for that particular diversion. I have had an opportunity to speak to the Chairman of the Water Board and have indicated to her that we had hoped that the Water Board would make a decision in matters such as this as to the priority use of water in the area, especially in those areas where industrial and domestic use come into conflict. The Water Board's report essentially recommends that YTG simply handle it, take care of it, to provide whatever remedial action that is necessary to allow for continued unabated use by placer miners and the residents of the area.

The government certainly has not made any decisions with respect to any upgrading of services to satisfy the problem entirely. We are trying to determine what is cost effective, who is going to pay and that sort of thing. We are looking, for example, at trial sewage systems to satisfy the concerns of the residents. Then again there is the question of cost which has to be resolved, and that is a major component of the Water Board's decision. The Water Board has simply suggested that the YTG pay the shot and we found that disappointing.

²⁰ Mr. Lang: I have not studied the report to the extent that I should have, but I know there are major concerns with it. I share the concerns expressed by the Minister that a Board, whether it be federal or territorial, or whatever, would take the attitude, as the Minister has outlined, where the YTG is to pay the bill. I understand there are a number of recommendations, i.e., some sort of a blanket or insulating cover to be implemented to see if the drainage could be prevented, or that type of recommendation. That

concerns me.

I am very concerned with the implications of this decision as a Member of the Legislature, in view of what has transpired. Is the Minister accepting the decision by the Water Board, or has he been advised, or has he asked for legal opinion on what next step for appeal could be taken with respect to reversing those areas of the decision that he and his colleagues feel that it is not in the best interests of the general public. Has he taken steps in that way, as opposed to accepting the Board's report in its totality, and looking at implementing it?

Hon. Mr. McDonald: I take the Member's comments seriously. The Water Board was not specifically undertaking a licensing hearing. They were simply doing a public review of a problem. We are not legally bound by any of the recommendations that they make to proceed with remedial action. There has to be a sense that when an independent board like the Water Board is established to make certain difficult decisions as to the priority use of water, in this case, that they are going to have to get down and make those decisions and not leave remedial action up to the government involved.

In the Bear Creek case, we have not indicated publicly, and have not determined privately, whether or not there is any remedial action that we can take that would satisfy those residents. We are interested in doing what we can, as we would anywhere in the territory, to help resolve a problem that will not go away. The problem, as it exists, is accessibility to potable water, and also the settling of wastes. Both those things can be resolved through such things as a water delivery-sewer-eduction service. These are the sorts of things that we would be looking at. The residents of Bear Creek would still like to resolve the issue of priority use in the area. They have indicated that to me in a letter. I am all for trying to resolve that critical question.

Mr. Lang: I do believe taking a practical approach that sewage can be resolved and the question of water delivery or whatever can be resolved. I am not putting that out on the table for debate. I think that there is a logical, practical solution.

Has the Minister gone forward to his officials and asked if there is recourse for our government on behalf of those residents who live in Bear Creek to see whether or not we can appeal the decision rendered by the Water Board? If you have asked for that opinion, have you received it?

21 Hon. Mr. McDonald: The decisions that the Member is referring to are recommendations that came out of a hearing to review the problems associated with conflicting water use in the area. It was not a licencing hearing. It was not the sort of hearing one appeals. I think they were making recommendations based on the information they received at the hearing. Much of the information that was delivered was from technical sources, from experts in various fields, from government officials and from the residents themselves.

Presumably an appeal would come to the Minister, should the miner involved make a water use application to the Water Board. The Water Board will have to make a decision based on that water licence. If they did not keep the best interests of the Bear Creek residents in mind, we would have to review it after the decision was made.

Mr. Lang: My concern is that we are getting caught in a legal bureacratic nightmare, as far as I can make out from my particular information. As the Minister rightfully says, it is a bell-weather with respect to further development. I am concerned that we, as the Yukon government, may sit off to the side and not become an active player in the situation. If the miner is going to proceed with his application, is it the intention of the Government of the Yukon to intervene with the expertise that they have in and outside of government, to put forward a logical alternative to the present situation? Is it the intention of the government to appear at such a hearing?

Hon. Mr. McDonald: We did appear at the last hearing and we have been appearing regularly where they affect Bear Creek residents. The government has some interest in that subdivision. We will appear at the next and every other hearing that will affect residents in that subdivision. It is not a bureaucratic nightmare in

the classic sense. This is a citizens' advisory board, for the most part, established by the federal Minister to help resolve situations like the one in Bear Creek where there is a conflict about priority use. It is a citizens' board which now has a vote of confidence from the Chamber of Mines. The Water Board provides a method by which politicians can deal with situations of this sort at arms length.

We will be an active player when it comes to makeing representations to the Water Board. If there is some methodology by which we can allow for the coexistance of all users of water, we will seek it. We will assist where we can.

²² Mr. Lang: I do not intend to belabour this all afternoon. My understanding is that Hunker Creek run-off is now diverted into Bear Creek, or vice versa. A recommendation could be implemented that Hunker Creek and Bear Creek stay separate tributaries and flow into the Klondike River. It is thought that this would negate the problem of the water table coming up so high in the spring, and sometimes into the summer, in the subdivision in question.

Is that information regarding the water table not correct, and is that not where the concern is coming from?

Hon. Mr. McDonald: My understanding is that when the river is left undiverted to travel under the north side of the highway and into the Bear Creek Slough and it is used by placer miners, the water is very soapy, muddy and dirty. When it hits the gravels underneath Bear Creek, the gravels are waterwashed enough that it allows for the dirty water to float right on through and contaminate the water for all the residents in the area.

What the Department of Highways had done last year is to redirect the course of the stream prior to it getting anywhere near Bear Creek. It was redirected underneath the river through a culvert, so that it would more directly empty into the larger river. There was some suggestion from the Department of Fisheries that this was not going to wash, so to speak, that redirecting without the tailings facility, for which Bear Creek had served a useful purpose in terms of settling out silt, almost directly into the river was considered not appropriate. I believe that that was not going to hold water, so to speak, as far as the Water Board was concerned.

The Member asked whether or not it had worked. I believe it worked in the sense that it redirected the water into the river, but it did not work in the sense that when the water hit the river it was not clean enough to satisfy the Department of Fisheries.

Mr. Lang: We found a practical solution which was not acceptable, the way I take it from the way the Minister has presented the situation as it exists up there. I do know that you have a group of citizens actively involved in working with the Member for Klondike at times with respect to the particular issue at hand. I have a concern that they not be left off to the side and be looking at having to take legal recourse if the solutions are not found that are going to meet their concerns as well as those of the placer miners, and then we get into the legal wranglings that are involved, injunctions and various other things.

Where can we go and what steps can we take to try to come up with the solution that you undertook last year and make that the final solution? What is going to be the cost of implementing the solution outlined by the Water Board? That is going to be a cost that is going to have to be discussed in this House. Do you have that costed out? If so, how much is it? If you do not have it costed out, when can you provide the information to the House?

23 Hon. Mr. McDonald: The Water Board could suggest many things for this government to do. If some of them are not perceived to be reasonable, I think it would be a waste of the administrator's time to cost out those solutions.

The question here is part of the larger question of the whole placer mining issue in the territory. I am sure Members are familiar with that particular issue.

The Water Board has now, I understand, been charged by the Minister of Indian and Northern Affairs with reviewing the placer mining issue once again. We expect a report, I believe, in June. That, in part, will help resolve the problem, if all is successful. I dearly hope the Water Board will come up with an acceptable solution to all users. Given my familiarity with the placer mining issue and the whole placer mining debate of the last few years, I am

not particularly optimistic about the chances; nevertheless, I am wishing them well, and I will give them every vote of encouragement.

I think that some of the Water Board's recommendations, on principle, would be difficult to support. We will try to do what we can to satisfy the people on Bear Creek. Situations like this will occur over time, which will not be budgeted for, which will come forward and surprise us. Members will have to vote and consider them, perhaps after the fact at times. That is just the way it works; emergencies do arise.

We have sent people to Bear Creek, given the Water Board's disinclination to rule in the favour, so to speak, of the Bear Creek residents, to help them resolve the technical problems of access to water and decent sewage facilities. That might include some experimental sewage treatment facility, however small it might be. That exercise, and the costing that follows and runs concurrent with it, will be brought to the Members' attention. Certainly if Members are going to be expected to vote on an appropriation to support the people in Bear Creek, I will be more than happy to explain what I would propose, as Minister responsible for the department, and hope for the Members' concurrence.

Mr. Lang: The Member opposite talks about surprises. I am trying to ensure there are no surprises. That is why I am raising the question. I know that the government is confronted with a problem. I asked him a very simple question: why had they not costed out the implementation of the Water Board recommendations? Am I to take it from the Minister that none of the recommendations from the Water Board are going to be implemented by the Government of the Yukon Territory? If so, I would like to know which ones and at what cost.

Hon. Mr. McDonald: As we proceed in the O&M Maintainance for 1987-88, let me just tell the Member that no decision has been made, as yet, to implement any of the Water Board's recommendations. The feasibility of implementing those recommendations will have to be determined. For example, the Member mentioned the screen or the shield that could be laid out over gravel to sift out the silt from dirty water travelling through the gravel underneath Bear Creek. I have no idea of the cost of that, nor has the department costed it. We will have to review, technically, the proposals made by the Water Board and others. I am sure the Water Board's determination is not exhausted. We will choose the best technical one and the most cost-effective one. When that costing has been done, I will let the Member know.

²⁴ Mr. Lang: If you feel some of the recommendations are not reasonable, I do not have a problem. Just tell me. How are we going to resolve the problem? The other question that has not been answered is whether or not there was an appeal. I recognize it is not a formal Water Board hearing. Would it not be in the interests of the people of Bear Creek that if this government came forward with a solution and said to the Minister, look, we are even going to make an exception under the *Inland Waters Act*, would that not help solve the problem? What steps is the government taking?

We have a recommendation that is not reasonable to the government. I do not disagree with that. What steps are we going to take? Are we going to go to the Minister of Indian Affairs and say: the instrument that you have in place — these are the recommendations — we are not satisfied with it, and this is what we want done. It would seem to me to be the logical progression in order to resolve the problem.

Hon. Mr. McDonald: Is the Member suggesting that we should go to the federal Minister and ask him to put pressure on us to do something at Bear Creek? Is the Member suggesting that we should go to the federal Minister and tell him that the Water Board is not the appropriate board for determining priority use? What is it specifically that we would possibly go to the federal government and the federal Minister for?

The Water Board did not hold a licence hearing when they were reviewing this case. They were holding a general hearing to try to understand all the forces involved in the matter to determine whether or not something could be done to the satisfaction of all parties. I have already told the Member that it was not done to the satisfaction of the Yukon government because all the Water Board

said was that the Yukon government should pick up the bill, whatever it happens to be — engage in water and sewer eduction services, do this, do that, put in a screen. Are they suggesting that we should put in a screen to sift out the silt and the water delivery sewer education service, and something else, and something else, or is there a combination? I was not given an indication from the report that there was any sort of technical review of that sort.

I do not think that we should go to the federal minister, necessarily, and appeal on the basis that we do not like the Water Board's understanding of the situation. That is their understanding of the situation. We just happen to disagree.

The situation with respect to the Water Board decision is that they offered a number of alternatives. It is not a black and white situation. It would not be appropriate or responsible for me to say that we accepted all the recommendations or we rejected all the recommendations. I simply cannot state that. We are actively reviewing it. The Yukon government, over the period of the last summer and fall, has been a very active participant in trying to resolve the problems in Bear Creek. We were the party who took concrete action in Bear Creek to try to resolve the situation. We will continue to take concrete action where we feel it is appropriate. We are reviewing the options technically. Those options that prove, technically, to be appropriate, to do the best job, and appear to be the least cost to both the user and the government, we will review. We will cost out those options in detail once that is done.

If the Member wants me to state whether or not putting in a water delivery and sewer eduction service, that is expensive. Buying a water delivery truck is expensive. Making use of private contractors to deliver the water is less expensive. The only one I am not sure of is the filtration screen. I do not know how expensive that is. I do not know how technically feasible it can be made. Those decisions have to be made.

²³ Mr. Lang: I am not raising the question to be argumentative. I recognize what the government's problem is and it is a problem for all of us. It is not just one side of the floor versus the other. If you look at the correspondence that I signed as a Minister with respect to the Hunker Creek diversion versus the Bear Creek position you will see that I was involved to some degree. I give the government full marks for moving in this past year to see what they could do to resolve the problem.

We are coming into another season very soon. What is the government going to do with respect to the situation? The people directly affected are going to be in a situation where the water table is going to be raised. There is going to be a swamp, the same situation last year and the year previous. It has compounded itself because of developments and various other things. I understand that.

When does the Minister think that he will have something concrete to present to this House with respect to this issue. He has the report, he is reviewing it and I am prepared to give him the time that he needs. I would like to know when he is going to be able to come forward with the governments position.

Hon. Mr. McDonald: The first action will be to participate in another licencing hearing at the site. I cannot give the Member a clear indication as to when we can. I can only say that we will do it as soon as we can. If the Water Board surprises us and resolves the issue of priority use, then I can tell the Minister that the problem will be resolved in a couple of months. If the Water Board decides that they are going to ignore the Department of Fisheries and allow the river to go into the larger river without any settling, the problem is resolved for the time being until the Department of Fisheries comes down on somebody's head.

Perhaps the cost of eduction tanks or whatever will be an item the Yukon government pays or perhaps the residents of Bear Creek themselves will pay. The decision regarding water deliveries and water tanks would have to be made fairly soon. People are making do, barely. We would try to resolve the situation as soon as we can. I cannot say that we will absolutely resolve it in July. We will do it as soon as we can.

Mr. Lang: I was curious about the government's view about the report. That is all I am asking. Do I take it that the government is waiting for a formal hearing to be held on behalf of some

particular miners so that they put their case before the Water Board again so a final determining decision can be made with respect to water licences? Is that the position of the government?

26 Hon. Mr. McDonald: There seems to be some suggestion that the Water Board's report was the last word on the matter, as far as the technical or costing analysis that could be done. If the Water Board was to undertake and do what we had expected of it, then the decision of the Water Board's recommendations would have been a significant event for us. Nobody needed to tell this government, the Member for Klondike, or even the Member for Porter Creek East, that there was a problem in Bear Creek, and that it was going to cost somebody some money to resolve if the Water Board was not going to resolve the issue of priority use.

The Water Board's recommendations were for us a non-event. They simply catalogued the problem and said there were a whole string of technical things that could be done to resolve it, and the YTG should pay the bill. It is a non-event for us.

Mr. Lang: I want to assure the Minister that I am not trying to be combative about this. All I wanted to know was if we are waiting for another official hearing so that the Water Board could make a legal determination with respect to what is going to happen as far as water use is concerned. That is what I heard the Minister previously saying. I want it clear in my mind if this is what we will do as a government: wait until a legal binding recommendation is brought forward by the Board. Or are there any other steps that can be taken. I am not looking for a non-event. I am looking for an event.

Hon. Mr. McDonald: We are looking for events too, and we are trying to create those events. If we were to hang our hats on what the Water Board decides or does not decide, we might forever wait for an event that we like. We did not wait for this hearing to take place on Bear Creek. We tried to take remedial action. We tried to start working on the alternatives. I gave an indication to the Member that we were going to participate in the next water licensing hearing. We will do that, but that is not what we are waiting for. We are not simply waiting for that event to take place.

We will continue to go to Bear Creek, talk over with the residents' association what remedial action can be taken. On the technical side, we will try to review our options. There are many options. We will review them all and see what is acceptable on the Bear Creek side. That is very important as well, to assist them in understanding what the options are, technically, so that they can make a sound decision on their own as well. Unfortunately, that is one of those things that takes time.

We will participate in Water Board hearings because they can be eventful if the decisions are conclusive. There are interests to watch over at those hearings, and we will participate. We are not waiting for that to take place or a decision to be rendered by the Water Board prior to moving. We have been moving all along.

Mr. Lang: I will pursue with the Minister, either here or in correspondence, as far as the actual costing out of the government's intentions are in respect to this matter. I see it from a priority and precedent point of view for not only Dawson, but other areas of the Yukon as well. I am raising the question in a territorial context, not just strictly in a parochial regional sense.

I think that the people in Bear Creek are very practical, and they understand some of the pitfalls and some of the problems. They want to see mining continue as well. It is not an open and shut case.

I guess this leads me to my next policy question. It is the question of services being provided by municipalities. It is one that has been going on for quite some time, but I think that we have touched on it in the course of this debate. It is the question of sewage eduction: who is responsible and who is going to take the responsibility on?

Has the government, primarily the Minister and his office, considered the question of services such as sewage eduction service or water delivery being done by the municipality — I will use Dawson City as an example — for the purpose of providing that service, as opposed to the YTG? If so, what is the policy going to be?

²⁷ Hon. Mr. McDonald: The Member may have run two issues together. Is the Member talking about sewer eduction services done for Bear Creek or simply for the community?

Mr. Lang: Has the government formulated a policy, and have they accepted a policy with respect to the provision of services by municipalities outside of their boundaries? In this particular case, I am talking about sewage eduction and water delivery. If they have, what kind of agreements are they going into with the municipalities so that they can afford to deliver that service, in conjunction with the municipal services within the boundaries?

Hon. Mr. McDonald: There has been no policy developed — not for lack of effort, but largely because there is a different story for every community. Some communities feel comfortable providing that service and other communities do not. I believe Dawson feels that they already provide a large measure of public service to people outside their boundaries. They have indicated to me that they want a share of our taxes without any increase in service by the community. These are taxes YTG collects from outside the boundary.

I have a hard time accepting that option. I would, in the interest of efficiency, encourage municipalities to undertake responsibilities outside the narrow confines of municipal boundaries. If it is cost-effective to do it, and acceptable by the community iteslf, then we would undertake to review it. Certainly if a community made representation to us that they were interested in providing a service, perhaps to make a service they provide to their own community more cost-effective by increasing clientele for that service, we would be more than happy to look at that and consider it positively.

The situation at Dawson is an interesting case in point, because there are a number of areas where, say establishing the garbage dump, or the provision of water delivery or any number of things, is of concern to both the residences outside Dawson and the City of Dawson.

The Member may remember a request was made by the previous Minister, Mr. Philipsen, to the city to have them consider the expansion of town boundaries outside Dawson, and they have indicated to me that they are not interested.

There may be other cases in the territory where communities are interested in taking on services. If it is cost-effective to do it, we would sure consider it.

Mr. Lang: So the overall policy objective of the government is to continue and, basically, if a municipality approaches you on the possibility of an agreement, you would seriously consider it if you felt it was in the government's interest as well as in the interests of the municipality. I see the Minister nodding his head in agreement so I take that as concurrence.

I would further ask the Minister about firehalls, which ties in with my previous question, and the provision of services outside municipal boundaries. How does an unorganized area outside the parameters of a municipality that has a fire service or firehall go about applying for such a service? What is the policy of the government? I am thinking primarily of the situation outside of the boundaries of Whitehorse, the provision of a volunteer fire-fighting service to the residents on the Carcross Road. I am thinking of other areas of the Yukon that could be looking for receipt of such a service. I would like to know what the policy of the government is. 28 Hon. Mr. McDonald: Our policy is to encourage firefighting services in those areas that require them. That is almost a non-statement, it is so much of a truism. Even though the Carcross Road was unorganized, it was able to organize itself to the extent that it could establish a volunteer firefighting department. The government, in that instance, provided core funding for the construction of an approved shed for holding the fire truck, and provided the fire truck. The volunteer fire department is going to provide the manpower to make it effective.

I have had some discussions with the City of Whitehorse about the sharing of services outside the boundaries. There are some concerns by the City of Whitehorse that they are unable now to provide a decent service to many of the residents within the boundaries, including Wolf Creek. Tying up essential firefighting equipment in that environment is not their first choice.

We have also looked at the area north of Whitehorse, and it has been made clear that, in the past, residents had not wished to have a firehall located in the district, because they thought it might be a negative impact on their taxes. If the residents of that area would

wish to engage in the same sort of positive efforts that the Carcross Road cut-off were interested in, I think I would jump at the chance to discuss with those people the same kind of provision of service as now exists at the Carcross Road cut-off.

We still have ongoing discussions with the City of Whitehorse. We are still thrashing out some of the alternatives, including the placement of new firehalls north and south of Whitehorse. Whether or not that is cost-effective has yet to be determined. We will attempt to share services inside and outside of the boundaries, if at all possible, whether or not we assist somebody in the area north of Whitehorse. In general terms, that is the direction in which we are going.

Mr. Lang: My concern is the general policy and general intent of the government. How much is in the supplementary towards the firehall that the Minister cited on the Carcross Road? How much core funding would be available to a community that would take on that same initiative as that group of people on the Carcross cut-off, which I think is commendable. I would like to know what is available.

Hon. Mr. McDonald: This is really testing my memory now. My understanding is that the construction of the firehall was in the neighborhood of \$40,000. That was for the construction of the little firehall itself. The fire truck was a surplus. I do not know what the replacement cost of the fire truck is. Fire trucks are surplused, on a regular basis, around the territory, and we would seek to provide a service like that north of Whitehorse.

29 Money would have to be in the 1985-86 supplementaries someplace, because that is when the money was spent, and the decision was made.

Mr. Lang: Do I take it from the government — I want it clear in my mind — that land will be provided by the government, core funding of up to \$40,000 will be made available and an under-utilized or used fire truck may be available if one is available through the auspices of the government. Is that the policy of the government?

Hon. Mr. McDonald: There are a number of other factors that we will have to take into account. One of those factors will have to be the dynamism of the local fire department. If another community came forward with two people who were eager and keen to operate the fire department and they expected \$40,000 for land and a fire truck, I am sure we would say no. But in the case of the Carcross Road Volunteer Fire Department there are many people who are keen, eager and excited to provide a level of service in order to bring their insurance costs down in the area and raise the fire-fighting protection in that particular area.

We would have to do it on a case-by-case basis. There may be a time when a fire hall or something acceptable as a fire hall could be used in place of something that is built from scratch. Our policy is to try to provide it where there is a proponent and the population is dense enough to be able to handle a fire department service. Certainly it has to be within the operational boundaries of a particular firehall. Those will be the kinds of things which we will take into account.

Certainly if we can help we will. I cannot give the Member specific dollar amounts, but I can tell him what has happened in the past. We would have to take it on a case-by-case basis.

Mr. Lang: I know it has been an ongoing situation. I am searching now for information where the previous government had left off because it was an issue that was being dealt with and was in the process of being acted upon. I wanted to get it clear as to what the final form of policy was of the government.

With the volunteer fire fighting equipment that has been put in place in conjunction with the people who live in the area, have the fire insurance rates gone down in that particular area?

Hon. Mr. McDonald: I do not know specifically if they have because the hall was just constructed last November and it is just the start of the operation. I do not know how this will affect, or how much this has affected, insurance rates in the area. I can check for the Member.

Mr. Lang: I would appreciate for the Main Estimates that that would be provided to me during the course of debate as information, even in writing. The concern I have was that it was a

determining factor in how much the government was going to get involved, depending on the numbers of people, the radius and where they lived and all this type of thing. The insurance factor was a crucial factor because of the policy of the government that one was being taxed according to the services that were being provided. If you recall, there was a policy that I think all Members of this House accepted, when it was brought forward with rationale here approximately three years ago where there was a reversion into regionals. The Minister is nodding his head now saving he concurs with that principle. It was my concern that there be some rationale and some relationship with respect to the method of taxation and services being provided and here is another service that is being provided in conjunction with the people involved. I would appreciate the Minister having that information made available to us because I know the work was being done internally with respect to what insurance rates were going to be if certain things were done. 30 Hon. Mr. McDonald: The lowering of insurance rates is certainly a factor. The crucial factor would be the ability of the fire department to stop fires. I do not want to give the Member the impression that the insurance industry is going to determine whether we put in firehalls around the territory. It will be a factor.

With respect to the question the Member made with respect to the various classes of unorganized communities, if the Member would like the figures of which communities fall into which class I could probably provide those with great speed. As the Member will know, that is a very loose determination. There is a check-off of whether a community receives certain sorts of services: police services, water, sewer delivery, et cetera. Even still, it is a very loose collection of services, and a fair amount of change can take place without changing the classification of a community.

Communities and general districts, such as the area around the Carcross cutoff, the area around north Whitehorse, would have to keep that in mind. We have a designation for a county or township government. We have not defined boundaries in that way. Presumably, we might in the future, given the population settlement.

Within that framework of listing classes of communities for the purpose of taxation, it is fairly loose, and the Carcross Road area is not even included, as I understand it. It is included in "all other areas". It is not designated as a community. That will have to be done as yet. We have not done that yet.

Mr. Lang: I just wanted to find out what it had done to the insurance rates, if anything. I take it that the Minister has taken this undertaking to provide that information for me.

While we are on the question of taxation, which is always of interest to the Minister of Community and Transportation Services, since we are coming to that time of year, April 15, is it the intention of the government to keep the percentage levy levels at the same level as last year, or are you going to be increasing them? If so, in what areas?

Secondly, where have there been reassessments done which have raised the assessments in areas outside of municipalities? Is it his intention, in those cases, to lower the percentage level to be comparable to the year previous?

Hon. Mr. McDonald: The Member is referring to municipal tax rates, which are done in conjunction with the community. They have not been approved by Cabinet yet. The decision on school tax rate and the general tax for unorganized communities — April 15 is the deadline — has not been made. I could anticipate the decision, but I would probably be given nasty looks by my colleagues who want to participate in that decision.

31 Mr. Lang: Do I take it that a decision will be made this week?

Hon. Mr. McDonald: It is April 7 now. The deadline is April

15. We will not breach legislation. We will do it by that deadline.

Mr. Lang: Is it going to made at the next Cabinet meeting for the purposes of setting the percentage level?

Hon. Mr. McDonald: If the Government Leader was here he would say that the announcement of Cabinet agenda was not for discussion. April 15 is the deadline. We will be ready and prepared to make a decision by April 15, there is no question.

Mr. Lang: These are very difficult supplementaries to read if you want definitive questions answered. Are there monies allocated

in here for the purposes of the Old Crow water and sewer program that was insituted last year to ugrade their systems? If so, how much? What is the progress of that project which is so important to them?

Hon. Mr. McDonald: The O&M costs for the water delivery and sewer eduction is about \$121,000 for the overall cost of the operation. All the costs, apart from about \$18,000, are recoverable from Indian Affairs. The operation is running reasonably smoothly. It can be improved, of course, by the placement of sewer eduction tanks and larger water tanks in some of the houses in Old Crow. It obviously helps the government that has that kind of facility.

The government is interested, should the Old Crow band wish to efficiently operate the system, in contracting it out. If we can agree that the system could be upgraded efficiently and effectively, we would consider contracting out the provision of service to the band. To date, they have not indicated an interest. Prior to this calendar year, they indicated that they did not want to undertake the service. There are no problems with the services right now. I am sure that if I am wrong I will get a spitball in the back of the head.

Mr. Lang: I assure the Minister that will not happen, at least not right now. If I recall correctly, there was going to be a major capital program starting in the community. This would be the building or additions onto buildings for the purposes of indoor bathrooms, in some cases. It would also be for the purpose of building in water tanks for water delivery. Was there any money in this supplementaries for that purpose? If so, how much? That is one question.

Do you have a formal agreement with the Department of Indian Affairs of the various financial obligations of the two levels of government? I know that was a concern of the government for quite some time. Were you successful in negotiating an agreement which could cost-share these various services? If so, would you table it in the House?

³² Hon. Mr. McDonald: With respect to the agreement first, yes we do have an agreement with Indian Affairs which was signed by me and by a representative of Indian Affairs and by the Chief at the time, I believe it was last summer, which provided for the O&M cost associated with the water delivery and sewer eduction service. I have no trouble with tabling that in the House and will undertake to do so.

With respect to the programs the Member might be referring to, which I believe may be CMHC cost-shared programs, for the provision of water or sewer eduction services within some of the houses, I am not sure about the status of that particular program. I am not even sure if we participated in the program on those units in Old Crow but I will certainly check on that particular detail for the Member.

Mr. Lang: Was there any money in this particular supplementary for that purpose? You are asking us to vote x amount of dollars in allocations and retransfers and my understanding was that that was actively under discussion and negotiation with the Government of Canada. I find it very difficult for you to ask us to vote for this if you do not know if the money is in here. Is the money in here, Mr. Chairman?

Hon. Mr. McDonald: The cost sharing of the RAP Program I believe we undertook. It was part of the O&M Mains. Let me put it this way, there was no increase or decrease in that particular program or any CMHC program that I am aware of in these estimates. Because I do not have at my fingertips a detail such as whether or not we cost-shared somebody's sewer tank in Old Crow should not necessarily be a good reason for voting against these supplementaries. Iif we did participate in the CMHC program, which in this application makes some real improvement on life in Old Crow, I will let the Member know.

Mr. Lang: Perhaps he could check at the break today prior to going in this evening because it would seem to me that it is an area that is of prime importance to the community and it is an area the government was actively working on. I was under the understanding we had come to a conclusion with respect to this particular issue. The outstanding issue at one time was what service was being provided to status Indians versus non-status Indians. Has the government taken steps with respect to that service being provided

to the non-status people within the community? If it was it was not going to be under the auspices, if my memory serves me correctly, of RAP, it would have to be steps taken directly by this government. Or maybe you were successful going into a RAP. If you were, God bless you, but I would like that information and will put the Minister on notice. Maybe he could get that information prior to this evening.

I have another question and it has to do with systems analysis. Maybe the Government Leader wants to comment on this, as well, because it just is not strictly the Department of Community and Transportation, it is throughout the government, as I understand it. What is being done as far as the systems analysis within the department? How much money is being spent, if he has that information with him, and what exactly is the intent of it? It seems to me that Price Waterhouse is doing quite well, financially, from the point of view of contracts.

33 Hon. Mr. McDonald: With respect to sewer eduction in Old Crow, the Member has suggested that perhaps the previous government had made a decision to provide sewer eduction tanks directly to community residents of Old Crow. That is an interesting revelation, because there are other people around the territory who are living in difficult circumstances, perhaps even people in Bear Creek, and would require a sewer eduction tank. It may have been the policy of the previous government to provide sewer eduction tanks where it was considered necessary but we, as a government, have not yet costed that out. We would be hesitant to do that, largely because we can anticipate the significant cost, but also because we would not be providing some like service to people elsewhere, who would provide it at their own expense.

We will try to do what we can in Old Crow, bearing in mind the impact on the rest of the territory.

With respect to the system analysis, the department is improving its information systems generally, and in particular the Lands Branch. There is obviously a backlog, and the collation and the digging up of material in this department is a difficult process—determining stats, determining trends, et cetera—without the improvement of that system.

Whether or not this will have any financial impact on Community and Transportation Services in terms of cost and in this budget, I am reasonably certain that it does not. It would be in some other department's estimates. If I am wrong, and there is a cost associated with the improvement of our information systems, I will let the Member know right away.

Mr. Lang: My information is that you are spending a minimum of \$33,000. Is this coming out of Government Services and being transferred to your department, or is it added to the supplementaries for the purpose of voting this particular document?

I should point out, it has to do with what is called projects activity and deliverable per systems development projects planned as approved by Management Board. Obviously Management Board made a definitive decision concerning systems. If so, maybe the Minister of Government Services has some comments on it. What exactly are we doing, and is that information going to be available to the public? What is the story? It is a lot of money that is being spent.

Hon. Mr. Kimmerly: I anticipated exactly this kind of general questioning in the Main Estimates. I have asked for this system's plan to be put into a form that I can table here for all Members. I received it on Friday, and I will be tabling a plan that will answer in detail exactly these questions. It is about 50 or 60 pages, and I will table it prior to the debates on systems in Government Services.

Mr. Lang: The reason I am asking this question is because I thought it was money that has already been spent. I gather you are asking us to vote on this document before us. How much is being spent by the government for this Financial Systems Development Project Plan? How much money overall is the government spending in this area?

Chairman: On a point of clarification for the benefit of the Chairman, what expenditure are we looking at here?

We are in general debate on Community and Transportation Services. I am just trying to identify which program we are dealing with. Mr. Lang: I am trying to find out where exactly \$33,000 was spent for the purposes of systems analysis. I was told that there is a general policy. I am asking how much we are spending. If I am out of order, I will go through each department and ask. I was wondering if there was anything identified in the supplementaries. My problem is that the information is very general so I have to ask specific questions if I want specific answers. That is why I am pursuing this line of questioning.

Chairman: I am wondering if this is specific to the Department of Community and Transportation Services.

Mr. Lang: It is in part because there is \$33,000 being allocated to that department for systems analysis. There is also money going to the Department of Education. It is relevant to what we are discussing. I am prepared to accept the Minister's comments about the plan being tabled. Maybe he could, for our information, tell us how much money we are dealing with. It is a great deal of money.

Hon. Mr. Kimmerly: I would ask the Member to ask in the Mains. I do not readily know the specific amount for this department, but it is identified in the supplementary. I believe he answered the question himself, \$33,000, if that is the question. I will table the plan in a moment or two. I will go and get it.

Mr. Lang: I appreciate the openness of the government. I look forward to seeing the document.

I would like to go on to another area. Is it the Minister's intention to look at other areas, over and above what we have, in the Yukon for the purposes of airstrips, no matter what category? If so, where?

Hon. Mr. McDonald: There is a very simple policy on airstrips. Arctic B and C airstrips are totally recoverable. We get an administration fee on top of that. Emergency airstrips are not included in that program. There are a number that are maintained by the Department of Highways. I am not sure exactly how many there are. Arctic B and C are totally recoverable.

35 Mr. Lang: Were you planning to put any other airstrips in place in the Yukon? I understand the B and the C, and I also understand the A

Hon. Mr. McDonald: We are planning to put in airstrips. This is an O&M Mains area. Perhaps when we get to the O&M Mains, we could discuss the Eagle Plains airport as one item, and perhaps the Haines Junction airport as another.

Mr. Lang: Are you asking us to vote any money in this area for new proposed airstrips? If so, I would like to know how much?

Hon. Mr. McDonald: No. We are into the new year by seven days now. There is no time, even if the Members were to, with great speed and alacrity, vote this in, there would be absolutely no time in which to make the decision and spend the money on another airport.

Mr. Lang: It is not a flippant question that I am asking, in deference to the Minister. I recognize that April 1 has gone by — in fact, you helped me to celebrate my birthday, which I appreciate. Was there any work done in the area of airports last year? I want to know if there has been any policy direction from the Minister's office?

Hon. Mr. McDonald: Yes, I suppose with absolute technical clarity I could probably charge some of my time to airport development, and probably some of Mr. Casselman's time, because we have considered, during the period under review, the construction of an airport at Eagle Plains. That airport would hopefully resolve some longstanding problems associated with air travel in that particular district, and might have a significant benefit of lowering transportation costs to Old Crow. It would be of great benefit to the people of Eagle Plains.

Apart from that, when we get to the Mains and I have the information in front of me, I could talk, in greater detail, about the costs associated with the various airstrips, and what other airstrips we might want to consider bringing onstream within the Arctic B and C program prior to the transfer to the Yukon.

Mr. Lang: I want to say from this side of the House that we can see the need for an emergency strip to be at the Eagle Plains Lodge or in close proximity. We can see the reasoning for it, and I think the government should be pursuing it in conjunction with the Government of Canada, if at all feasible.

I was wondering what the Minister had planned, for example,

with the community of Pelly Crossing. Perhaps he could elaborate to the House on that, because it is relevant to this particular area. Is the Minister aware that he does have work being done this past year in this particular area, and the House was not informed of it. I would like some clarification on the plans of the Minister's office.

Hon. Mr. McDonald: There are literally thousands of things being done by this department. I do not get the pleasure of informing and taking credit for all of them. Allow me the pleasure of announcing the work being done on the airport at Pelly Crossing. I thank the Member for the opportunity of allowing me to announce it.

Yes, the community of Pelly Crossing had indicated an interest in having an airstrip that was closer to them than the one at Minto. Through significant efforts by the department and by individuals in the community, we have undertaken some considerable work, I believe it is clearing to date, of a new airstrip and taxiway at Pelly Crossing.

It will be a tremendous boon to the community of Pelly Crossing, I am sure, in that people — outfitters, expediters and exploration geologists — who had previously gone to Minto would probably go to the new airstrip at Pelly Crossing. Being part of a transportation corridor such as that will, of course, be a boost to the community.

Mr. Lang: I asked specifically if you were planning on any new airports. You stood up and talked about Eagle Plains and I stood up and asked about Pelly Crossing. All of a sudden he says he has to make an announcement today. All I wanted was a general statement by the Minister what the intent was. Now that you have determined there is going to be an airport at Pelly Crossing, could you tell me what the costs are going to be and if they are going to be borne by the Government of the Yukon Territory and, if so, are we dealing with some portion of those costs in the supplementaries that have not been identified or are they going to be in future budgets?

Hon. Mr. McDonald: By far the vast majority of work to be done at Pelly Crossing will be done in the new year. It will not be done in the period under review. If there are a few dollars here or there that can be expended on the Pelly Crossing airport, apart from the time I would charge to the project if I were to charge my time to the project, the time Mr. Casselman would charge to the project, if he were to charge his time to the project, I will attempt to get that type of information for the Member. But in any case, the construction of the airstrip will be undertaken in the coming year and will not be for the year under review. There are no dollars there but I will try to get back to the Member. We will move a bit of money here and there, maybe.

Mr. Lang: You have just informed the House that there was a certain amount of line cutting and various other work that was done. So I am assuming there was some money spent this year over and above the Minister's time in the House and the individual involved in the civil service involved with this particular program. How much have you spent with contracts for the purposes of getting to where you are at the present time. How much money are we looking at? It must be coming out of the capital side of the budget, so how much? Is it cost-shared with the federal government?

Hon. Mr. McDonald: I simply do not have any work orders with me. This does not indicate to anyone that I am not interested in the airport at Pelly Crossing. I am interested in the airport at Pelly Crossing but I just do not have the work order in front of me, or any indication of any specific dollar and cents costs. I will have to get the information for the Member.

Mr. Lang: Obviously we will need it this evening because it is a line item in the budget. All I was asking is a general policy question and I am prepared to wait until we get to airports. That is all we are asking. I would like to know where that money is going and how it is being spent. If you are launching on a major capital project I would like to know what it is and the cost. If you have any other communities other than Pelly I would like to know that as well for the forthcoming year. I think that is fair.

I have another question on housing. Is the notorious 501 Taylor Street purchase in here, or which budget would it be found in? 47 Hon. Mr. McDonald: I do not believe it is in my budget.

Mr. Lang: I see that we are going to have a fair amount of

information provided under Housing Construction and Renovations. Is that where we would be discussing that element as a line item?

Hon. Mr. McDonald: I do not know how you want to do this, but as we go down the line items, I can talk about the upgrading of the four-plex and six-plex purchases here in Whitehorse to satisfy the needs of the Yukon Housing Corporation. We could talk about the Burwash airport perimeter fencing for \$30,000, fully recoverable from MOT.

Mr. Lang: I am prepared to wait until the housing, because I am sure we will have a fair amount to say. I want to ask a question regarding policy.

Chairman: Order for a minute, please. The Chairman would prefer, actually, if, in general debate of any department, we just deal in broad principles. When we get to the various lines of the programs of that department, then we discuss them more fully with detailed specific questions.

It may not be that difficult at this stage with this particular budget, but I can see a lot of difficulties when we come to the O&M Mains. If you would please just leave your questions in general debate to broad principles on that department, I would appreciate it.

Mr. Lang: I have a broad question of debate, and I do not see any problems. I am more than prepared to cooperate with the Chairman, as I always have in the past. I would like to ask a question about the housing. I understand the Minister has launched into a housing study. I would like to know when he expects that particular study to be completed. Is he going to make it public when it is completed? What is the general intent of the government as far as the Housing Corporation is concerned?

I would like a broad statement from the Minister in that respect, because I find some of his comments alarming.

Hon. Mr. McDonald: With respect to any statements I made that may have caused the Member some alarm, let me just say that what has been undertaken in the period under review, that have budgetary implications, is the housing needs analysis, which was done between the CMHC, Yukon Housing Corporation and the CYI, to undertake an assessment of needs throughout the territory. They were to determine social housing needs of a variety of classes of people by community. Hopefully, that would help us determine where program funding, cost-shared between YTG and CMHC, would best be put.

With respect to the overall policy framework, the Housing Corporation has undergone some serious realignment with government departments. The legality of that arrangement is suspect. The administrative financial unit of the Corporation is now housed within the Department of Community and Transportation Services. The maintenance function of the Housing Corporation has been undertaken by Government Services. Program delivery, apart from that, is undertaken by the Housing Corporation, which is located in this building.

Shall we say the Housing Corporation's new arrangement, as indicated by Management Board Minute 1984 something or other, the legality of this arrangement is suspect. It is more than simply irregular. We are trying to resolve that particular operational difficulty.

³⁸ We have undertaken to review the benefits that might come from the decentralizing of the existing authority given to the Yukon Housing Corporation to Community Housing Associations, or at least allow the opportunity for that to exist.

Apart from that framework, there is a desire to change the accounting principles for the corporation. The one problem is that we deficit-fund the Corporation. Whatever they stick in their budget, this Legislature is obligated to pay. In the interests of having a corporation that has corporate integrity and has corporate discipline, it is necessary for user departments to understand the costs associated with housing for employees. We are looking at the feasibility of chargeback to the departments to give the corporation more corporate discipline.

As well, within the framework of the corporation, and within the financial policy constraints imposed upon it by the government of the day, there is the feeling within this government that some decentralization of authority can take place. That authority can

move to the local housing association which is closer to the people it serves. To the extent we can maintain the corporate integrity and increase the responsibilities of the local housing associations, we will undertake to do that.

There has been a clear indication to me, as the Minister responsible for the Housing Corporation, that the communities are dissatisfied with the service and have been for some time. There are ways of rectifying that problem. The people in the Housing Corporation have done yeoman service within the constraints under which they have operated. Perhaps the structure simply cannot breed sensitivity to outlying regions. Perhaps there has to be some realignment of authority. We are considering that realignment.

There are a number of issues to resolve. We have indicated that we would like to develop a social housing policy to give clear direction to the Board of Directors of the Housing Corporation. They believe that in the past they have not received clear direction and there is no social housing policy, so to speak, on the books. Part of that social housing policy has to come from the basic information that one would receive from a needs analysis. We will receive that information and from that develop a policy which we would encourage the Housing Corporation to follow through a variety of means.

We would like to review and assess all the problems of the Housing Corporation. The legality of the operation of the corporation is foremost in our minds.

39 Mr. Lang: When do you expect to make a decision on this? Hon. Mr. McDonald: In this calendar year, and presumably there may be a necessity to amend the Housing Corporation Act to regularize things and Members will be brought fully up-to-date. Obviously Members will have to agree to any changes to the Housing Corporation Act and we can discuss with them whatever changes we propose at that time.

Chairman: Is it the wish of the Members at this time to take a recess or to continue?

Recess

40 Chairman: I call Committee back to order. Government Services, general debate will continue.

Mr. Phelps: I am interested in what, if anything, the transportation department has been doing with regard to studying the issue of highway safety with respect to domestic animals at large. Do they keep statistics of accidents involving domestic animals and, if so, how long have they been keeping such statistics? Can we have that information tabled?

Hon. Mr. McDonald: It is my understanding that there is a log of accidents resulting from collisions with animals on the highway. I am not sure whether the Department of Community and Transportation maintains it, but there is a log that identifies where the accidents take place and the number of accidents.

Mr. Phelps: The purpose of the question is fairly obvious. There is a lot of concern in certain areas along the highways because of the increasing accidents and the complaint that nothing has been done yet about controlling domestic animals. I am wondering if the transportation people have an active voice in attempting to resolve that problem.

I know I had correspondence with the Minister, as well as the Minister of Renewable Resources, but my interest is in what steps have been taken by the Department of Highways.

Hon. Mr. McDonald: The vehicle that exists in government is the *Pounds Act*, which allows the impounding of animals at large, or animals that are considered to be a danger to the travelling public — amongst other things. There has, historically, been an aversion to implementing that act to resolve the problem of the open ranging of livestock on or near highways. The reason largely is that there are a number of people who range their livestock on the highways, and the cost associated with fencing those animals is extremely high.

41 That was the reason why I believe my colleague, the Minister responsible for agriculture, had requested that the Agricultural Planning Advisory Committee — the joint government-industry committee — help resolve the problem. Perhaps the Minister could

report on the activities of that committee to help resolve it.

The problem is not so easy as to suggest that owners of livestock should pen their animals. It is an extensive process. There has been the indication from the industry that penning the animals up would be prohibitively expensive, and many of them would not be able to afford it, pure and simple. At the same time, there have been a large number of accidents. I almost hit a horse last night on my way into Whitehorse from Elsa. It would have been an unequal match, to say the least — it was a big horse.

In any case, I know there is a problem associated with free-ranging livestock. I would hope that the Minister responsible for agriculture and the agriculture industry could seize themselves with the seriousness of the problem. The industry would have to come to terms with any costs associated with community pastures or a measure of fencing. It is a problem that is endemic to the entire territory. It is not simply the Mayo Road area. Many outfitters allow their livestock to range freely over the winter months and, at times, it causes a hazard in areas other than just Whitehorse.

My understanding of the situation is that the Minister of Renewable Resources has requested and is actively seeking a solution, along with the agricultural industry.

Mr. Phelps: Just to pursue that a bit more, it seems to me that the problem in some areas, particularly the Mayo Road, is becoming so acute that it has to be creating a problem for the Highways branch. If there is not going to be some kind of solution worked out, and soon, by the industry and Renewable Resources Department of Agriculture, it seems to me it is incumbent upon the transportation department to come forward with speed restrictions, that kind of thing, in the areas where it is such a daily hazard. On top of that, it may be necessary for the government to amend the Highways Act, or to amend the appropriate legislation, so as to ensure that fault will lie with the owner of domestic animals when there is an accident on the main highways in the territory.

I would suggest that officials in the department ought to take an active interest in what is happening with the study by the Advisory Council on Agriculture that is underway.

42 Hon. Mr. McDonald: The Department of Highways and the government has historically responded by erecting signs where there is large animal activity on the roads. Clearly, that is not sufficient to prevent accidents from happening. I think there should be no mistake about it that we are very concerned about free-ranging livestock. If it was simply a matter of implementing the elements of the *Pounds Act* then that would have been the route that previous governments and this government would take. I am not a lawyer but I would presume that the act presumes that the fault lies with the owner of livestock who does not have his or her livestock penned up.

There has been some reluctance to implement the *Pounds Act*. I know from personal experience, from attending a Yukon Livestock and Agricultural meeting, that there was significant and emotional representation made that the government should not implement that act. It was felt that we should seek a reasonable solution to the problem. Unfortunately, to date, people have not come to terms with the costs associated with the various alternatives. I am presuming that the livestock owners would assume a major share, if not all, of those costs. I take the Member's representation seriously. I am very concerned about the free-ranging livestock problem as well.

Mr. Phelps: I am wondering if a suggestion might be taken into account that an official or designate from the Department of Highways take part in seeking the solution. It seems to me that the critical problem has to do with the issue of safety on the highways more so than the nuisance factor of livestock ranging in people's backwards.

Hon. Mr. McDonald: Highways department personnel will be directed to take part in discussions wherever they are needed, if they can provide a special kind of expertise to encourage discussions.

Mr. Lang: Is the Government of Yukon discussing the future disposal of the units in Takhini? At what stage are those discussions?

43 Hon. Mr. McDonald: The Yukon Government, as far as I am

aware, is not discussing the purchase or disposal of federal housing units in Takhini. No one, fron DIAND or otherwise, has approached me with respect to disposal of those units.

Mr. Lang: It was under discussion at one time and I do not remember who approached who as far as the particular units in question are concerned, but there was some thought that the Government of Canada was going to get out of housing. I am sure the Minister was aware of that. There was an ongoing committee struck between the NWT and the Yukon, at the federal level, to look at the question of disposal or the principle of getting out of housing and people effectively purchasing their own homes. Is the Minister telling me the government has not been approached on this matter and as far as you are concerned it is not an issue?

Hon. Mr. McDonald: The federal government has not approached me as the Minister responsible for the Housing Corporation to see whether the Government of Yukon would like to purchase or deal in any way with the units in Takhini. If they were to decide to approach the Yukon government, clearly we would assess the value of the units and the needs we would project into the future to determine whether we have the need of the units. As the Member would appreciate, we would simply not purchase the units and then seek a use for them, we would determine our needs and if they were offering quality housing at a good price, we would consider them along with everybody else.

Mr. Lang: I have another general question as far as the highway is concerned. Do I take it that the Government of Yukon has accepted the principle of 160,000 pounds GVW on our highways if they meet a specific axle configuration?

Hon. Mr. McDonald: The necessary Order-in-Council to allow Curragh trucking on the road has not been passed and I cannot give the Member a date when it will. It will be in plenty of time to allow for the trucking activity on the road, subject, of course, to Cabinet approval and safety considerations being met.

Mr. Lang: Has the commitment been made to Curragh Resources for 160,000 GVW if they meet a certain wheel configuration? If that decision has been made, will other trucking companies be sanctioned to also hit 160,000 GVW if they meet the wheel configuration?

Hon. Mr. McDonald: I would not want to anticipate too much the Order-in-Council. It has not been passed, and I would like to give my colleagues the opportunity to discuss it before making it public. Clearly, the government would intend that the necessary Order-in-Council allowing for the heavier loads to be implemented prior to the trucking activity. We have given an indication to Curragh that should their truck design operate safely, and I believe their first tractor is coming off the assembly line fairly soon, we will give them permission to operate that particular truck configuration on the roads. The purpose of the Order-in-Council is to allow for other similar trucks who are willing to pay the one dollar per wet tonne fee to operate equally on certain highways, I would presume, in the same manner that Curragh or Lynden Transport would.

⁴⁴ Mr. Lang: I want to be clear on this. Has the trucking company, which I understand has gone into a contractual basis with Curragh Resources, gone into that contractual basis on the understanding that they are going to be hauling loads weighing 160,000 GVW, meeting certain wheel configurations?

Hon. Mr. McDonald: Yes, I believe they have. We have indicated to them that we would be amenable to allowing that after having discussed it with Hhghway engineering. We would be amenable to allowing the heavier trucks on the roads. We allow heavier trucks on the roads right now on a special permit basis. We are interested in ensuring that the tractor itself is going to operate safely. We would be concerned, in Curragh's case, that the tractor could provide the braking capability necessary for that kind of load.

The Order-in-Council that will allow the heavier loads on some Yukon highways would take effect fairly soon.

Mr. Lang: It seems to me that if Curragh has ordered the trucks, then the government has committed themselves to 160,000 GVW. The only thing that the government has done, from my understanding, is committed themselves to developing a safety program. So you have committed yourself, the way I understand it,

to 160,000 GVW. My concern is from the technical side of the department; what recommendations were provided to you in respect to permitting, on an ongoing basis over and above special permits, the 160,000 GVW on our roads? Do the technocrats in the department feel that our roads will hold up to that kind of weight with a special configuration? If so, what do they base their recommendations on?

Hon. Mr. McDonald: They base their recommendations on their technical skills, which they have taken some time to hone. They have made recommendations specifically on the road between Faro and Skagway, given the fact that there is capital upgrading necessary on the Skagway Road.

Whether that will apply to all roads, or that all roads meet the same standard as that particular road, I am not sure. We will allow the activity on other roads that can bear the loads.

Mr. Lang: Am I to assume that the department has positively recommended to you that our roads will withstand 160,000 GVW? Did they recommend that you proceed with 160,000 GVW, and other than the small portion of road that you are talking about, overall our roads will be able to withstand that increased 15 tonnes? 45 Hon. Mr. McDonald: They have. The roads themselves will. There is some concern about the layer of dust-control chipseal that was put on between Carmacks and Whitehorse. There was concern that the chipseal would not withstand even normal Cyprus Anvil trucking. It was put on after the Cyprus Anvil trucking ceased. There is also some concern that some of the dust-control chipseal, without proper foundation, may not hold up under new trucking activity, but they do not have an experience factor upon which to base that concern.

There was a time when the railway was down and the Skagway Road was used by trucks for a number of days in the summertime. At that time, no ill-effects showed as a result of that trucking traffic on the route.

Mr. Lang: I am told that the 160,000 GVW is the same weight that is used in some parts of Saskatchewan. Has the Minister been in direct consultation with the Government of Saskatchewan about what effect that major change in tonnage has had on their roads?

We dealt with that issue, and it was up for consideration similar to what it is now, even more so. I gather a commitment has been made. The Minister of the day at that time was Mr. Philipsen. He had some very major reservations about whether or not we should be permitting that extra 15 tonnes because of our terrain, because of the roads and the state of our bridges, and also because of the safety ability of the truck tractors to handle that increased tonnage.

Those were very major concerns that he, towards April of that year, was expressing to me. He initially looked positively upon it, but towards the end he was having some very serious reservations. Has the Minister been in contact with Saskatchewan, recognizing their terrain is somewhat different? What has it done to their roadbed? That should be a concern to all of us, since this could be a major capital outlay if they do not withstand the weight.

Hon. Mr. McDonald: The Member is quite right. The civil servants were in contact with the Department of Highways in Saskatchewan to determine what effect the heavy truck traffic would have on our highways. They said that we could extrapolate any problems that might be associated with that traffic. Subsequent to that, they provided me with the recommendation that I have indicated to the Member.

I have suggested that the ability of the tractor to brake properly, et cetera, is something that we are reserving the right to determine. We have indicated that to Curragh in a letter some time ago. That is the reason we are waiting for the first tractor off the assembly line to determine whether or not it can operate on the hills between Faro and Skagway without impinging on the safety of the travelling public.

To put it quite bluntly, if the truck does not prove worthy, those weights will not be approved. That is all there is to it.

With respect to the bridges, we have been given an indication by bridge engineers in the territory that the bridges can withstand the heavy trucking traffic, with some minor structural repairs to the

Takhini River Bridge. The indication by the bridge engineers is that

bridges can withstand four trucks on the bridge at one time, two

tailgating each other and meeting and passing. That is a pretty clear indication, as far as the bridge engineers are concerned, that the bridge is strong enough.

Mr. Lang: Have you had a report done, as far as the bridges are concerned? That is a far cry from what we were informed some number of years ago.

With respect to the bridges, that is a cause for concern. I know that at some time it has been expressed by various bodies a question of the state of repair that our bridges are in. In view of the Minister's comments, he obviously feels they are in excellent condition. Has he had a report done and, if so, would he be prepared to table it in the House?

Hon. Mr. McDonald: I understand the Member's familiarity with bridge construction and repair. I am not a bridge engineer, nor is my family a bridge repair contractor. I have been given an indication, verbally, by the department that the bridges can withstand the heavy truck traffic on them. I would not go so far as to say that the bridges are in mint condition. There are ongoing repairs that have to be done every year: painting, sanding, et cetera. That will continue to be done.

As far as the structural integrity of the bridges are concerned, I have been told that these bridges can withstand the heavy truck traffic. If any internal report has been undertaken by DPW that is in writing that we could release, I will release it.

Mr. Lang: I am very concerned about this because I was made aware some time ago that there could be some problems with the bridges. I would request that the Minister check into it, and check into it very quickly. Was there an engineering review done by bridge engineers on the state of repair of our bridges, especially on the route from Faro to Skagway? I do not believe some of those bridges were built to withstand those weights. Would he be prepared to check into that for me, and come back when we are discussing this in the O&M Mains?

Hon. Mr. McDonald: I would certainly be prepared to do that, but I do not want to leave the Member with the impression that that is a base that has not been touched. My very clear understanding is that DPW bridge engineers and YTG have been out to review all the bridges on the route between Faro and Skagway, and have come to the conclusion that the bridges can withstand heavy truck traffic. Not only can they withstand the occasional single truck passing over the bridge, but they can withstand four trucks on the bridge at one time.

⁴⁷ Mr. Lang: All the more power to you. I think that that is great news if it is true. I just want it verified and I think it should be.

I would ask a further question on the commodity bulk transportation tax or levy that the Minister referred to. Can you tell me under what authority or legislation he is going to levy that particular tax?

Hon. Mr. McDonald: The legislation would be the Highways Act itself. The Order-In-Council I referred to would allow for a special use of the overweight and overdimension of vehicles under certain conditions and we will undertake to ensure that that regulation is passed prior to its needed use by Curragh Resources.

Mr. Lang: I find this somewhat disconcerting because this is really another method of taxation. Has the Minister received a legal opinion that legal authority is vested within the *Highways Act* in order to be able to levy such a charge? If so I would like to know under what section.

Hon. Mr. McDonald: The Highways Act provides for a special permit at a fee for overweight and overdimensional trucks. The fee is set by regulation. What we are essentially doing here is rather than having people come out every time the truck goes down the highway to apply for a special permit, we arrange it so they do not have to apply for a special permit. It is contained in the act already. Not all fees nor all permits, registration fees, et cetera, are established by an act. Sometimes they are established by regulation and I presume this will be one of them. If the Member wants me to review the act and go over it at some length with him then we will adjourn the O&M estimates when we are dealing with the coming year, which is not taking place, and which this is proper discussion for that time. I will be able to provide the Member with that kind of information at that time.

Mr. Lang: I beg to differ. I can raise it here on this particular

side of debate. I want to say to the Minister that I want to know the section that he is referring to because it is a new tax that is coming in, and I want to know the intention of the government about whether it is only one particular company that is going to get this exemption or this particular break to haul these types of loads as opposed to other truckers, whether or not it is going to apply throughout the Yukon, and if so to what extent, and all these kinds of questions. So, yes, I am putting the Minister on notice that I would like to see that information provided to us during the O&M Mains.

As far as housing is concerned, has the government taken any further steps on senior citizen housing? Are there any other steps taken other than what was outlined to us in the capital debate last fall?

48 Hon. Mr. McDonald: I would be more than happy to discuss the extra-large ore trucks and the fee structure with the Member during the O&M Mains, which is the proper vehicle for that discussion.

With respect to housing, per se, there is nothing specifically in the O&M that was associated with the seniors' housing for the period under review. A number of things were undertaken, such as the needs analysis, which would have an indirect impact on seniors' housing in Whitehorse and around the territory.

With respect to housing construction, there was a figure of \$75,000 for the four-plex and the six-plex in Whitehorse. Whether they are directed specifically to seniors, or a portion of them is directed to seniors, I would not be aware of right now. I can find out for the Member. I doubt whether they are, but I will have to check that. There is nothing beyond what was announced in the Capital Mains.

Mr. Lang: I should put the Minister on notice. I want a breakdown with respect to these items within the budget.

In the Community and Transportation Services of the bill you are asking us to give our consent to, you have an engineering services agreement that has voted, to date, \$7,600,000, and you are asking us to vote \$7,200,000 — \$400,000 less. I do not want a breakdown right now on that particular amount of money, but where did you get the vote authority for the \$7,600,000? In the Capital Mains of last year, we voted \$1.00 under the Engineering Services Agreement for the purposes of going in with the federal government. Now, I am told that we voted \$7,600 and you are asking for \$400 less.

Hon. Mr. McDonald: Between the time that the Capital Mains were passed for the period under review, which is November, 1984, there has been one supplementary. It is not dated, but it is called Supplementary No. 1. This is Supplementary No. 2. In Supplementary No. 1, there is a figure of \$7,600,000 voted.

Mr. Lang: Can we expect any other further federal funds over the course of this past year for work that was done, other than what is included in this budget and the supplementary in the fall? 49 Hon. Mr. McDonald: No. There is no further funding.

Mr. Lang: I notice that we have done some resurveying in Teslin. Is it the policy of the government that those costs for surveying for lots are put back into the price of the land? I am specifically referring to Little Teslin. Have the lots been disposed of? Who is going to pay for the resurveying that has been undertaken if they have?

Hon. Mr. McDonald: I am not familiar with the example that the Member refers to. He may have in mind as well the Keno City resurvey, which had its original survey in 1922, and the designation of a number of lots that were unrealistic from the beginning and a town design that was unrealistic from the beginning. The Member and I have discussed this in the past, and I do not believe that we are in agreement at all on who should bear the final costs of a resurvey.

There could be a number of reasons for the resurvey. One could be that the land use, as determined by the residents, was something that had to be changed as a matter of what was right. It could also be that, as, for example, in the situation in Keno, the original survey was completely insensitive to the terrain and the type of community. There are differences in situations like that that we have to take into account. In both cases, at least a measure of the

survey costs will be borne by the lot owners.

It is important to remember that no matter where you go in the territory, survey and land development costs are not always borne by the lot purchasers. In places like Willow Acres, there are some problems. Other costs are written off. Roads and streets are expanded to allow for the write-off. This was done by the previous government. It allowed the write-off of certain costs in order to bring lot prices down, while, at the same time, adhering, at least in part, to the principle of selling land at development costs. We are not talking about the total. We are talking about partial costs.

Historically, the government has not always been geared to that principle in any strict way. I do not suspect that, for the resurvey, we will adhere to it either, depending on the circumstances. There are a number of complex anomalies within the system itself that have been there for some time. If I could say that we could resolve those anomalies, I would. Unfortunately, there is enough past practice to make the determination of a policy very difficult.

The short answer to the Member's question is that in the cases of resurvey, generally, we have to determine the reasons for the resurvey and whether or not it will conform to a very broad policy that already exists for land development, which is not consistent, to say the least.

50 Mr. Chairman: It now being 5:30, we will recess until 7:30.

Recess

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

Hon. Mr. McDonald: While people are finding their seats, perhaps I can assist by providing the specific expenses for the Pelly Crossing airstrip. Twenty-four thousand dollars was expended in the year under review for clearing and grubbing the strip.

Mr. Lang: From where was that money taken, and on what basis did you make the decision to go ahead with such a project?

Hon. Mr. McDonald: We made the decision largely because the community wanted an airstrip closer to the community than the one that existed. There was a concern that medivac services were not be well served by an airstip that was such a distance from Minto and Pelly Crossing. There was a recognition that the airstrip would give to a community some economic development potential. The closest one to Pelly Crossing was at Minto. There was no community except for the highway lodge about seven kilometres from the strip.

We decided that in the interest of serving Pelly Crossing, we would undertake to construct an emergency airstrip under the Highways Department. That is an emergency strip that is not cost recoverable under the program. It is not Arctic B & C.

Mr. Lang: Why was there not any public announcement that you were proceeding with such a project?

22 Hon. Mr. McDonald: I have been justly criticized before for not adequately advertising the extensive good works of the department, but I will undertake to rectify that in the future.

Mr. Lang: That really did not answer my question. Was it because we were funding it totally, which is contrary to what has been done in the past?

Hon. Mr. McDonald: No, the Member is quite wrong about that. The emergency airstrips are entirely constructed and funded by the Yukon government. The Arctic B and C airports are funded both in construction and maintenance on a cost recoverable basis from MOT. This is an emergency airstrip, and we would fund it entirely ourselves.

If the Member suggests that I should be announcing all these good works, I will do my best to rectify that flaw. Many things are being done throughout the year. They do not all warrant a press release, but if the Member wants me to advertise this project and projects like it to a greater extent in the future, I will undertake to do that.

Mr. Lang: Could the Minister give me an idea of how much the final bill for this project is going to be? We have spent \$24,000. How much will be spent this forthcoming year?

Hon. Mr. McDonald: I would anticipate that it would be in the neighbourhood of \$100,000 all told.

Mr. Lang: Is it being tendered out for the purposes of construction, or what steps are being taken in that regard?

Hon. Mr. McDonald: To what extent the community is clearing and grubbing, it would be undertaken by the same procedures as work

of this nature has been undertaken in the past. Specifically, I will undertake to find out for the Member, but there has been no direction from my office to change past procedures with respect to construction of facilities such as this.

Mr. Lang: I will look forward to that particular information. I have another question, and it has to do with where we left off prior to coming into debate. Perhaps we could give the floor to my colleague. She has a further question on the policy of airports.

⁰³ Mrs. Firth: I just wanted to follow up a bit on the airport at Pelly. Can the Minister tell us why the decision was made to have the airport there? I recognize he said that the one at Minto was too far away, but other than it just being an economic stimulus or whatever reason the Minister gave, did they have a need for an airport? Is there a lot of air traffic there? How was the decision made to have it there?

Hon. Mr. McDonald: There has been a long-standing request, in my understanding, that an airstrip be located at or around or near Pelly Crossing. As I explained to the Member for Porter Creek East, there was a desire in the community that medivac services would be facilitated by the location of an emergency strip near Pelly Crossing rather than at Minto, which is many miles distant. There was also the feeling that because there is a fair amount of informal traffic into the district that Pelly Crossing would be greater served by an airport near the town. On that basis we undertook to review the concept itself initially, then in cooperation with the community, we undertook the basic clearing and grubbing of the site itself. Those are basically the reasons that went into making the decision.

Mr. Lang: As I said on that question, I am looking forward to seeing what procedures are going to be used, and continue to be used, for tendering, as far as the government is concerned.

I want to go back to the question of the Carcross-Skagway Road that has been a matter of discussion in this House for quite sometime. When is the Minister going to table the information that was requested by the Leader of the Official Opposition in respect to the agreement and the costs and various other specific questions asked? I believe at least two weeks have gone by and I think some of these monies are in here to be discussed are they not, Mr. Chairman?

Hon. Mr. McDonald: The Member is quite right, they are not. I will table the information at the break.

Mr. Lang: Are you going to be able to tell me at the break the authority that you have to levy that type of taxation, such as the bulk commodity tax?

Hon. Mr. McDonald: I thought I told the Member the information was under the *Highways Act*. If the Member wants me to do the research on the clause and on the past practice, I would prefer to table the information tomorrow. I fully intend to discover what sort of taxation has been undertaken in the past to clarify for all Members in the House the situation with respect to levying fees and permits, and the authority given to the government to do that.

I have no intention of allowing the illusion that, for some special reason, the government is attempting, in any unwarranted way, or outside past practice, to levy a fee or permit charge beyond that which is allowable under legislation. I would intend to provide the information to the House tomorrow so that I can provide a full background of information, including past practices previous to this government's acceptance of power.

Mr. Lang: I look forward to that because I do not recall a levy of a dollar per tonne. That is something I was totally unaware of. I am looking forward to seeing what kind of information you have.

Mr. Phelps: I have a question that arises from the Speech from the Throne where note was made of \$25 million being added to the current capital budget. "This has created work and improved facilities in every Yukon community from a health services centre in Carcross..." Would that money show up under Community and Transportation Services in this supplementary?

Hon. Mr. McDonald: It is not in my supplementaries. Perhaps another Minister, when we get to that line item, would care to answer.

Mr. Phelps: Perhaps the Government Leader could tell us where that would show up.

os Hon. Mr. Penikett: It is not on any of my departments, but I

will find out.

Mr. Lang: If the Minister is ready, we are prepared to go line-by-line. I hope he has got the breakdown in detail. The information provided to us is very minimal, and we look forward to what he has to say on each particular line item.

On Community and Transportation Services

On Administration

Mrs. Firth: Could the Minister tell us what that \$184,000 over is for, please?

Hon. Mr. McDonald: The overage is for a number of things. They include the salary for a casual secretary in the neighbourhood of \$24,000; the time of a special project officer in Community and Transportation Services, who engaged at least part-time in the administration of the LEOP program; the payout of the former Deputy Minister of the department; travel and miscellaneous for devolution, largely the roads and the airports program; and consulting services necessary for field work and base information preparation for the Transportation and Communication policies.

Mr. Lang: Are there any costs in here in respect to contracts, or anything of that kind, as far as looking at the prospects of taking over forestry, and that type of thing?

Hon. Mr. McDonald: In the Community and Transportation Services budget there are no costs of that nature. The Minister of Renewable Resources might be in a position to provide that information if that department has incurred any costs.

Mr. Lang: My understanding is that there was at least an effort being made about a year ago to look at the possibility and the implications of taking over forestry. I understood it had started with looking at the regulations and at those particular elements within the Department of Community Affairs, largely within municipal affairs. I am just wondering what has happened to the work that was done. Are you in a position to table that work, since a year has passed since it was instigated?

Hon. Mr. McDonald: As the new Minister for Community Affairs, I am not familiar with any specific negotiations with respect to the transfer of forestry. The transition period between Ministers was fairly smooth. I would suspect that the previous Minister had devolved that to Renewable Resources as well. I have undertaken no work, though I know the Department of Renewable Resources has, with respect to devolution of forestry to this department.

⁶⁶ Mr. Lang: Could the Minister elaborate on devolution? Just exactly what does he mean? what department is doing it, and what areas they were looking at and if there are any research papers or contacts let in that particular area, where were they and to what extent it was done?

Hon. Mr. McDonald: With respect to devolution, there are some programs that the Member is familiar with, for which there has been an on-going desire by the territorial government, shared by this one, to have devolved to the territory. That would include primarily the construction activity on federal highways.

Primarily, the work we are referring to here is the devolution to Yukon control of the Arctic B and C Airport Program, which would include all major airports in the territory apart from Watson Lake and Whitehorse. The territorial governments have been approached on the devolution of those airports to Yukon and to the NWT, and we have indicated an interest in receiving them if the terms of reference are correct for devolution. We have undertaken a number of preliminary meetings with Transport Canada officials for the devolution of those airports.

We would anticipate that with things going well and financial negotiations primarily being correct that we might see the devolution of the airport program this year.

The federal government has also indicated an interest in the transfer of the A airports in the territory to the territorial government. That would include Watson Lake and Whitehorse airports. We certainly have not said no to that. There are certainly some cost-saving advantages to having Yukon maintain and operate those facilities as well.

There are a number of things to consider and some very complicated measures to consider. We have to consider, amongst other things, that the capital programs of the airports be maintained.

We have to ensure there would be some understanding of the services we would provide one way or another at those airports, and the fate of personnel at various airports. It is a complicated but interesting exercise, and we are pursuing it.

Mr. Lang: My understanding is, for example, that we have taken over the operations of both Ross River and Teslin, and there may be other airports as well, as far as the contractual arrangement is concerned. Is that the method that is going to be employed for the purpose of taking over the remainder of the airports? An example would be the Burwash strip which is a C. The remainder of B would be perhaps Old Crow. Is that the intention? Would we be strictly a vehicle for the purposes of tendering out the services and overseeing the work being done properly?

or Hon. Mr. McDonald: It is a little more involved than that. I think our obligations would not be on an airport-by-airport basis, but we would rather involve ourselves with the transfer of the overall program to the Yukon. Whether we contracted out the services necessarily would depend very much on a number of things, such as the cost effectiveness, et cetera, of contracting out. It would be my fervent wish that communities such as Mayo, for example, would undertake to provide the service like the maintenance of the airport, and observer functions at the airport. That would depend very much on the aspirations of the local community. Mayo has not indicated an interest in the past. They may change their minds.

Mr. Lang: How long have you been discussing this transfer with the federal government? When do you expect a decision to be taken in respect to the overall framework if a transfer is to take place?

Hon. Mr. McDonald: The fate of the transfer would depend very much on the wishes of the NWT. I have been given an indication that perhaps the federal government would like to transfer the responsibility to both governments simultaneously. Depending on how smoothly negotiations go, and how good a deal we could get, we might see a transfer this summer.

Mr. Lang: I do not want to belabour this, but I would like to know why our negotiations depend on the Government of the Northwest Territories.

Hon. Mr. McDonald: Typically, when the federal government transfers a program that is shared by both the NWT and Yukon, they find it in their best interests not to have to maintain any superstructure in a place like Edmonton, as is the case with NCPC, and any administrative functions that may linger because one territory decides not to proceed. We do not necessarily like to wait. At times the schedule for transfers and devolutions are not always held in common. In any case, it may not be that much of a stumbling block. I am hoping it is not. I am hoping that we can see a transfer fairly soon.

Mr. Lang: We talked about this transfer. How much of an administrative personnel staff are we referring to in Edmonton? Are we going to be seeing a number of positions transferred up here? If so, in what magnitude? Are we talking 10, are we talking five? What would be your observations on that element of it?

Hon. Mr. McDonald: There are a number of hidden expenditures that do not show up in the first stages of negotiations, which we search out and determine for ourselves. Quite often there will be a personnel function hidden away in some position or some funding in Vancouver or Edmonton or Ottawa, which does not show up in the face of negotiations with the federal government. We have to search out that personnel function and determine how necessary it is, and whether or not we should be insisting that funding and the people accompany the transfer. That goes for many things. Many of the technical functions associated with a service being provided, technical expertise, quite often is a cost for which we would want to have the expenditure transferred to pay for that expertise.

Quite often, for obvious reasons, the federal government is not always forthcoming with that kind of information. I think they would like to have the responsibility transferred at the lowest possible cost to them as they can.

⁰⁸ We have to satisfy ouselves about what it would take to operate the airports at a reasonable level of service and to determine what technical expertise, what administrative expertise, and what person-

nel functions would be required to fulfill that service. When we have searched out that kind of information, we then will indicate to the federal government that it is something that we would like as well. We feel it is necessary and we will negotiate.

Mrs. Firth: Is the Special Projects Officer position with the Local Employment Opportunity Program a contract or a casual position, and what is the term of that position?

Hon. Mr. McDonald: That position is a contract position. I am not sure what proportion it is. It will, at least in part, be dependent upon the Local Employment Opportunities Program.

Chairman: Could we take these line items in order please so that the Chairman knows where we are?

Mrs. Firth: I am sorry; this is in order. When the Minister explained what the \$184,000 was, the special projects officer was one of the items. It is very difficult to follow. I appreciate how you feel.

Is that position going to discontinue with the discontinuation of the Local Employment Opportunities Program or is that person serving some other function as well?

Hon. Mr. McDonald: That person will be serving other functions. What the portion is, I do not know. There is a tremendous workload in that department with the many things that we are doing. I will find out what the terms of reference are and when the contract is expected to end.

Mrs. Firth: Perhaps the Minister could tell us what the dollar allotment he has beside the special projects officer is? He did not give us the dollar amount.

Hon. Mr. McDonald: Twenty-eight thousand dollars.

Mr. Phelps: The Minister talked about philosophy. With regard to the devolution of airports, could you give us concrete examples of when you searched out these various hidden costs, what the costs have been, where you found that there were personnel required that you were not advised about by the federal government, and where those personnel were?

Hon. Mr. McDonald: I will have to review with the department the time lines, the position points, and some of the details with respect to the transfer negotiations. There will have to be some review of the travel claims of when the meetings took place either between the Deputy Minister and counterparts in Ottawa or Edmonton and the airports administrator, Mr. Casselman. These are ongoing. The negotiations have taken place exclusively at the administrative level. Information is being sought and terms of reference are being determined in order for it to take place.

The Member wants from me, I think, is information I do not have at my fingertips, but would have to undertake to return with.

Mr. Phelps: I appreciate the Minister's answer, but it sounded from the answer you had given earlier, and perhaps I will have to review the transcript at this stage, that there were all kinds of hidden items that you or your officials, through very clever sleuthing, had managed to uncover, but were not at first presented to you. I would just like the precise examples of those with regards to these transcripts.

Hon. Mr. McDonald: I can see that perhaps the Member has taken offence at the suggestion that the federal government, in its way, as now it is a Progressive Conservative federal government, would not be absolutely open and totally honest or totally forthcoming on all the details and all negotiations, but that they would have the Yukon government foremost in their mind rather than federal self-interest.

I have been given a verbal indication, and I will see to it to the extent it can be, in a reasonable timeframe in writing — because I certainly will not undertake to have the department snap to attention on this particular issue, depending on a reasonable timeframe — the details of negotiations that have been undertaken in the past.

There are a number of meetings that revolve around the transfers of the Arctic B and C Airport Program and a lot of discussion has taken place over the past few months on that matter. Any report on bargaining would have to be reasonably brief, and if a Member had any specific item he would like flushed out, I would like him to divulge that now, because I do not normally expect that administrators give me a minute-by-minute accounting of what they do. I usually give them direction and they usually follow it. If there is

anything a little more specific, I would be happy to entertain that as well.

Mr. Phelps: I will have to review the earlier answer. It seems to me that when one speaks of having to act as a sleuth and discover all these things that were not forthcoming from the federal government, there seem to be allegations of sufficient seriousness that concrete examples would be of some assistance in order to really understand what the Minister is driving at. However, I will undertake to review his answer and give him the specifics I would like.

Mr. Lang: On the question of travel, has there been a significant increase in the allocation of dollars in this budget for travel for yourself or your officials? Is all his MLA and ministerial travel confined within the Executive Council department, or is there some in this particular area, and if so what?

Hon. Mr. McDonald: For the most part, the travel on a departmental basis has not increased for the period under review. Certainly, my personal travel as a Minister for this department and for the Department of Education is significantly under my predecessor's travel cost in the Executive Council Office's budget.

10 Mr. Lang: I take it that the travel associated with you and your office is not included within this particular supplementary as far as the financial framework is concerned. Is that correct?

Hon. Mr. McDonald: My travel is not at all in this budget. This is departmental travel.

Administration in the amount of \$184,000 agreed to

On Highways and Transportation

Hon. Mr. McDonald: A number of these expenditures net out to the reduction and savings of \$1.2 million. The first and major item under this line item is the under-expenditure of \$963,000 in maintenance with the Department of Public Works for the Alaska Highway. That was lower than anticipated, and what had happened was that the House had voted \$10.7 million. DPW, in an exercise of restraint, provided the Yukon government, for the period under review, \$9.8 million, which left \$963,000. In anticipation of the question of the Member for Kluane, there was no suggestion that the Jorgensen System, which provides for the maintenance of the highway, would be in any way impaired. It was simply a DPW cutback.

There were also some cost reductions, one of \$46,000 for the summer Alaska Highway maintenance activity, though recent snowfalls may have wiped out that particular saving. For the Members' information, this is a period 9 projection, and at the time the projection was made it promised to be a mild winter. There was no accounting for what happened last night and today. Of course, this affects this year. The Member is absolutely right.

There was a greater demand over the period generally around the territory for calcium and patching materials. The construction at Carmacks at Coal Mine Hill required some more calcium than anticipated. There were some chipseal — BST — repairs on this side of Carmacks because much of the chipseal on this side of Carmacks is for dust control activity. It has not had a proper base applied, so there were some significant repairs.

There was a general saving as well, around the territory, in grading and snow clearing costs. There was an under-expenditure due to reduced crushing, guardrail and culvert replacement, et cetera, camp overhead costs, sign costs and dust control on a general basis around the territory. There was an over-expenditure on the Tagish Road in the brushing program and some drainage. The costs of the Transport Canada Agreement for airports was higher than anticipated. That is 106 percent recoverable.

11 The net savings is \$1.2 million.

Mr. Lang: Did the department purchase the equipment that they had indicated was lacking here last year, that was in the O&M Mains of 1985-86, through the replacement fund? Was it exactly the same equipment as was identified in the budget, or was there a change to that?

Hon. Mr. McDonald: In the new O&M Mains, — I know we are not looking at that yet — but if the Member looks at it when we get into it, on the page that delineates what is projected for the following year, there is also a line at the bottom of that page, I believe, which essentially states that all equipment promised to be

purchased was purchased.

Mr. Lang: Has there been any thought of reviewing the exact equipment that we do have, and the necessity for that equipment?

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An observation we were dealing with in a peripheral manner at that time was the question of what we needed to replace the equipment with, for example, graders versus snowblowers, this type of exchange regarding equipment, vis-a-vis the winter maintenance, primarily, of the highways, and also reflecting the summer maintenance as well. Has there been an internal review of this? If so, when was it activated, and what were the results?

Hon. Mr. McDonald: That is a fairly broad question. There have been discussions. I have had discussions with the department in respect to this matter. Some of them evolve from discussions I had had with the Member for Tatchun about the opening of various roads, et cetera, in his district, where there was a perception that government equipment and government personnel were doing the work that could otherwise be done by private contractor.

The extent to which there has been an overall change in the kinds of equipment being purchased, and the discussion about where we should go in the future is, with the new road surfaces that we have in the territory, there is less emphasis on heavy graders and greater emphasis on lighter vehicles, largely because there is less need for the heavy work. So, in general policy terms, there has been a move to recognize the new fact of paved surfaces in many areas of the territory, and to accommodate the new reality, so to speak.

I have not, to my satisfaction at least, reviewed the situation to the extent that would resolve the concerns of the Member for Tatchun, but we are going to give that some consideration.

It is a complicated set of circumstances, because the government and the Department of Highways wishes to provide a service on a year round basis every year. Whether or not the private contractors wish to do the work — if there is competing work that pays better than what the government pays, there is always the danger that that work may not be done if the Department of Highways has relegated its responsibilities, for certain jobs, to the private sector.

12 There has been no policy decision to increase government activity in that manner. Our guiding principle will be cost-effectiveness and reliability. The reputation and the ability to get the work done well are obviously factors that we have to consider.

We had even considered, upon request from some quarters, to do work in BC that was being done by the private sector. In the opinion of many travellers and the Department of Highways, that work is not being done as well as the Department of Highways could do the work. We have been given indication from the Government of BC that they would prefer not to have the Yukon government maintaining any road in BC and that suits us fine. The guiding principles will be cost-effectiveness and the ability to do a good job.

Mr. Lang: I do not think there is argument about the ability of the Department of Highways to do the job. In some areas, it is questionable, depending on weather and various other things that they confront on a daily basis.

You have had discussions with the Member for Tatchun. There were obviously some discussions where some arrangements were made with the airstrip that we talked about. Have any commitments been made that we do not know about regarding rental equipment throughout the territory? I think it is a very valid question. There was a very good question the other day about why we are not going with rental equipment when we see, in the smaller communities especially, or even Whitehorse, equipment sitting here that could be utilized for that purpose instead of using government equipment.

Hon. Mr. McDonald: There are discussions ongoing about the use of private sector equipment. The concern in the overall picture is that the Department of Highways would like to have equipment available exclusively for the use of the public for maintaining the highways. If that is cost-effective, and if the personnel needed to do that work have other jobs and it makes sense for the operation, I see no reason to change past practices.

There are, however, individual instances that I would like to review to a greater extent, which may be regarded as special projects. I have to work out the terms of reference for what a special project is and the likelihood of the availability of equipment

at a certain time of the year when that special project is to be undertaken. Those are the critical factors for me. I am not going to ideologically, necessarily, insist that the private sector do all sorts of work simply because it is the private sector. I am thinking primarily of the interests of the travelling public and the taxpayer.

Mr. Lang: I am sure no one on this side of the floor, including the Member for Tatchun, is not worried about the taxpayer. I have to take that as a little bit of an affront. I know the difficulty the Minister is having with this issue, but I do know that in the past, when it came to the political level, direction was given to rent private equipment, in part, in opening some of these roads, especially in the spring.

is I think the Sixty Mile was an example, and that is quite some time ago. I know the difficulty that you face, but I do think that perhaps a little more work could be done in that area. Has the government approached the Government of Canada, in view of the change of government in Canada, as to whether or not we could recoup the rental fees we charge if we utilize private equipment as opposed to buying our own through the capital replacement fund? That would be a major departure as far as the financial framework is concerned and I am going on memory, but it would be a major departure. There was some thought about that about a year-and-a-half ago, that perhaps this would be another method for the purposes of giving incentive for small business and not having a large capital inventory by government.

Right now, I do not think there is any question that the biggest construction firm in the Yukon is presently the Government of the Yukon Territory. When one goes by and sees that equipment sitting there day after day because it is not the time of year to use it, we begin to wonder whether or not it was really required for us to purchase or could we have rented the equipment, or some pieces of equipment, recognizing that there would still have to be a core fleet for the department to act properly. So, has the Government of Canada been approached to see if those particular terms could be altered so that you could recover your funds and at the same time provide the service with perhaps a little more utilization of small business in the Yukon?

Hon. Mr. McDonald: Not to my knowledge; certainly not by me. The question might involve a couple of things, such as whether we are talking about leasing equipment from a company like Finning to give ourselves equipment so we will not have large capital inventory, but are in fact simply paying lease fees. I am not sure whether that would be cost-effective or not.

If the Member is talking about essentially using third-party equipment rental to provide equipment for specific jobs, it is not as though the government does not do that now. I believe the greatest user, by far, of the third-party equipment rental list is the Department of Highways and the private sector's equipment is being used on a regular basis around the territory for various small projects. There has been no change in that policy at all.

But to answer the Member's initial question, we have not approached the federal government to look at the leasing or renting of equipment to do core work by the Department of Highways. It is something I will pursue with respect to the provision of services for vehicles for special projects. I am of the view, and the government is of the view, that the vehicles for core work will be maintained by the Department of Highways. As long as they are doing a cost-effective job and have the kind of reputation they do, they will continue to operate in the manner they have.

said that there had to be a core fleet — I am not going to argue that — in order for you and the department to do what is necessary. I just thought that there were some areas that could be reviewed to see whether or not it was necessary to have that large capital inventory, with that amount of equipment. It could be reviewed in the context of further work being done where it could be an incentive to small business. That is what I am putting on the table.

I do not think I should be taken out of context by the Minister, and I do not know why he would want to take me out of context. I recognize the Department of Highways overall does a good job. I will be the first one to stand up and say that, recognizing the information and background that I have in this particular area.

In the past year, were there any particular studies or research done, on his instructions, or the Executive Council's instructions, in any area of the highways and transportation allotment of \$29,600,000?

Hon. Mr. McDonald: Can the Member explain more fully what he means by studies?

Mr. Lang: I will be questioning a little further down in Community Services. I am assuming the squatter policy emanated from that particular area. I am wondering if there are any new policies emanating from the government. It seems we have to ask a direct question, i.e. the Pelly Crossing emergency airstrip. If I had not asked a direct question, I would never have gotten a direct answer. I am looking for information, which is primarily my function. It is your function to provide it. Was any major new policy research done by the department? If there was, I would like to know where, to what extent, and how much it cost.

Hon. Mr. McDonald: Out of the Highways and Transportation portion for this particular year, it is my understanding that not any major policy development was undertaken. If there is something to be announced, such as a driver education program for students in the coming year, there may have been some time charged to an initiative like that. The policy development for the revamping of the new acts was largely in next year's budget, this coming year's budget. That is a very major undertaking, which I have indicated, will, we hope, take place in the coming year.

There may have been some very minor amounts to do some preparatory work there, but I doubt it. There may have been some work charged back to the department, performed for the Motor Transport Board, but I am not sure whether that is the case. No major policy work was undertaken by this particular branch that I am aware of.

I will check, and if I am wrong, I will let the Member know. Mr. Lang: Has there been a review done in respect to the requirement of personnel, in respect to the major changes in transition that has taken place in the last couple of years as far as manpower is concerned? I notice that the total personyear complement is 234. I see that you are asking for an overall increase in the budget this forthcoming year as well. In view of the fact that we are going to chipseal, and we are effectively getting it more and more throughout the territory, what is going to happen with personnel? Are you going to stay with 234? If you are, what are these particular positions going to be doing if there is less maintenance to do on the highways?

15 Hon. Mr. McDonald: It is extremely politically sensitive to talk about cutting back the personnel in any highway camp in the territory. If I was to accept any real flack that I was sensitive to, it would be because the Department of Highways had cut back a couple of people at Carmacks. I might even criticize myself if the Department of Highways was to cut back the number of people in Mayo.

Certain work on the major highway system is slowing down. A lot of that work is done by casual labour. There are many demands being made on the secondary road system in the territory, such as the opening up and partial maintenance of the Clear Creek Road. If we were to have a highway system that was essentially self-maintainable, we would still have a greater demand for available personnel for the secondary roads, recreational roads, et cetera. That is a constant battle.

There has been no move by this Minister to look at cutting back, and there has been no request by the department. We seem to be loading on enough of the smaller jobs to take up the slack from what previously had been the major reason for being, which was maintaining the major highway system.

Mr. Lang: I recognize what the Minister is saying. I am looking at what we are dealing with here, and I am asking what are these positions doing if they are not on the road with graders? Perhaps, the government is going to have to confront that situation some day down the road. You talked about the taxpayer earlier. I am not saying we should go out in a rush and fire people, but I think the government will have to face up to what these positions should be transferred to.

I am just alerting the Minister that there are people making

representation, wondering what is happening. The department appears to be getting bigger yet at the same time our equipment is that much more modern and technology is that much more advanced. For example, you can go 60 miles in a day with one of the snowblowers as opposed to one time when two graders were needed.

Those are real comparisons that have to be given consideration, perhaps not this year but sometime down the road. I think that the Member for Tatchun will share that.

The Minister made a comment that the federal government cut back on money for the Alaska Highway agreement. If that is so, was that above and beyond the requirement of what is termed the Jorgensen System, or was this excess dollars, and exactly where was it?

16 Hon. Mr. McDonald: It was largely a combination of those things. I had been given to understand, apart from some charges that have been levelled, that the Jorgansen Systems has not been impaired in any way. There certainly has been no policy at the ministerial level or the senior departmental level to infringe in any way on the main schedule dictated by that system. There was a DPW cutback. There was an over-expenditure the previous year, which was some cause for concern, and there was a desire to make things right within the Department of Public Works and that was, in part, the reason for the cutback.

Mr. Lang: I did not quite understand that. The reason for the cutback was because of DPW. Was there less money given for reconstruction of the highway or was it in the maintenance? I am not clear. I am dealing with the O&M side of the budget and perhaps I am not asking the right question. Did we meet the conditions that the department set down in this budget presented here for supplementary the principles applied for the Jorgensen System?

Then if we met that particular requirement, exactly where did we get cut back?

Hon. Mr. McDonald: We got the cut back on the O&M side of the budget. The maintenance agreement was cut back by \$963,000. It did not affect the maintenance schedule of the road, nevertheless it was still cut back. It did not affect the maintenance schedule of the road to any crucial extent, but it was cut back in part because there was an over-expenditure the previous year of some \$800,000 and that is not cricket in the world of federal transfer payments. They wanted to recoup that; they could and they insisted.

Mrs. Firth: I do not understand how that can happen. The Minister is saying there is no reduction in service, that we maintained the roads to the level of the Jorgensen scale, all the work was done, but yet we saved almost a million dollars. Does that means there was a million dollars worth of work that did not have to be done, or was there that much overspending on the O&M side of the budget? You just do not all of a sudden have an excess of \$963,000.

Hon. Mr. McDonald: We have to understand that the maintenance budget for the particular road is a fairly large one, and we are talking about large amounts of money here. When we talked about the overall budget we talked about a very, very large amount of money, so in percentage terms, we are talking about less than ten percent difference.

Previous to my coming on the scene, there was an over-expenditure that was not allowable under the agreement. That over-expenditure was in the neighbourhood of \$800,000. It was allowed to be claimed, but there was considerable concern about that expenditure and a desire to recoup that expenditure. It just so happened that the recouping of that expenditure could take place. That is the instruction given to the system.

¹⁷ Far from what has happened last night and today, because the winter has been relatively light, the maintenance schedule has been maintained to an adequate extent to allow us to do that.

Mr. Lang: I appreciate the comments. If I recall correctly, I believe there was an over-expenditure because we had a very difficult winter that year. I think it had rained a couple of times and then froze. There were sundry problems.

In view of this, this does not prevent us from recouping money in the future from the federal government if our costs exceed what were budgeted here. That is our concern. Will there be monies available, if necessary, under the agreement as there has been in the past, if we expend more than what you are asking us to authorize here? I am talking about the forthcoming year.

Hon. Mr. McDonald: The relations between the governments are very good. I would hope that the consideration received better than a year ago would be the consideration that we receive in the future, as long as we are able to make up the difference, or in some way show enough goodwill to ensure that no one government is taking advantage of the other government in terms of the agreement. I am sure the relations are good enough to allow us to overstep bounds on occasions when weather demands.

Mr. Lang: Has there been any discussions between the Government of Canada and the Government of Yukon in respect to the transfer of further federal public works functions to the Department of Highways? Has there been any serious discussions with the federal government? If so, what stage are they at?

Hon. Mr. McDonald: Yes, there have been some discussions with the federal government between senior departmental personnel on that matter. It is in the interest of the Yukon government to acquire as much in the way of responsibility for the road system as possible. We would like to have a single manager unit in the territory, because we believe it to be the most efficient way of handling the system.

There have been times in the past where interest has been shown by the federal government. It is blow hot-blow cold, depending on the month and the priorities of the day. We are still pursuing it. It has not reached a level where we can say that we have acquired an agreement in principle or a memorandum of understanding in that respect. There are times when the federal government, in its current mode of wanting to divest itself of certain responsibilities, has indicated an interest informally at the officials level and not at the federal level. It has never been hotly pursued by them. We have indicated ongoing interest that should there be a true desire to transfer responsibility, then we would be more than happy to take their petition very seriously.

¹⁸ Mr. Lang: This never-never land of officials to officials leaves everybody in doldrums. It leaves you at bureaucratic federal-provincial conferences with no decisions being made. I know all the world works in that particular reality.

Has the Minister made formal political representation to the Government of Canada, and to the Minister of Public Works, that you would be interested, as a government, in evolving these responsibilities, if you can reach a memorandum of understanding between the two levels of government as far as the financial framework and various other things are concerned?

Hon. Mr. McDonald: I have made no formal representations to the Minister of Public Works on that matter. I intend to pursue it. I have not been able to attend the Ministers of Highways meetings, but presumably that would be an excellent opportunity to draw people aside and discuss it at some length without having to incur the special cost of travelling to Ottawa.

I intend to pursue it. It makes sense to me. It is something that I think the people of the territory want, and if we find the proper financial arrangements to be satisfactory, I am sure we would pursue it.

Mr. Lang: Just to save the Minister a trip to Ottawa, I would suggest that a letter would suffice, and maybe a phone call. It is possible and feasible at this stage that we would support that kind of an approach to the federal government. I think there is logic in looking at it as one unit, as he says, for the purposes of the administration and efficiency, as long as we get the proper terms and conditions for such an evolution or transfer of that responsibility.

As far as policy is concerned, is there any further work being done in regard to trucking deregulation? Is so, to what extent and what position is the government taking in respect to that, as far as the trucking industry is concerned?

Hon. Mr. McDonald: I take the Member's concern with respect to sending a letter. The 34 cent stamp will be in next year's O&M budget.

The only reference to the Ministers of Highways Conference is

that that kind of conference proves to be very useful in making that kind of in depth discussion in a large setting. I would use that vehicle for that kind of discussion.

With respect to trucking deregulation, the Member is aware that a national accord has taken place that an agreement with certain details over a long period would be worked out to cut the red tape for truckers across the country. Yukon is a signatory to that agreement. I believe I have even seen the Member for Porter Creek East's signature on the accord. It is in our best interest to be a partner in a uniform system across the country. We are certainly interested, to the fullest extent possible, in cutting back on red tape in general terms. We would like to be party to a national agreement as well.

¹⁹ The preponderance of rules and regulations across the country, everybody having their own, has created some hardships for truckers in terms of acquiring authorities and licences for operating around the country. We would like to make life easier on the trucking industry, and we are eager to allow the arrangement to take place.

There are still some details that have to be resolved. When they are resolved, I hope to take to my Cabinet colleagues a proposal that allows us to participate in the national consensus on this matter with respect to those fine details.

Chairman: Is it the wish of the Members that we take a break at this time or continue? We will recess for fifteen minutes.

Recess

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

Mrs. Firth: Can the Minister tell us where the balance of that \$1.219 million that has been turned back is coming from? You have given us the maintenance contract for \$963,000. Subtract that from the \$1.219 and where is the balance of the money?

Hon. Mr. McDonald: I listed out the items, but I did not give the dollars, so I will quickly list them again and give the dollars. I hope it will all add up to \$1,219,000.

The under-expenditure for the Department of Public Works Agreement, Alaska Highway was \$963,000. The under-expenditure for summer Alaska Highway maintenance was \$46,000. The over-expenditure for calcium patching materials and chipseal repairs was \$228,000. The under-expenditure for grading and snow clearing generally around the territory to December 4th, period 9 was \$297,000. There was an under-expenditure due to dust and reduced crushing, guardrails, culvert replacement, et cetera around the territory of \$361,000. That crushing is for maintenance activity. There was an over-expenditure on the Tagish Road of \$44,000. There was an over-expenditure on airports of \$59,000. There was an over-expenditure on the Transport Canada Agreement for airports of \$117,000. Now somebody tell me if that adds up. I am hoping that adds up to \$1.219 million.

21 Mr. Lang: We will accept that as a given, temporarily. Is the \$59,000 over for airports taken from for the Pelly Crossing airstrip? If not, what was the reason for the overage?

Hon. Mr. McDonald: The overage there was partly for devolution, partly preparatory work for the review of the three highways acts. I made mention that we were going to review the three major highways acts. There was some preparatory work undertaken to review the acts and what it would take to overhaul them. That primarily is that expenditure.

Mr. Lang: Where would you spend that money? Was it for consultation? Who was the consultant? It seems to me that you have a number of policy people already on the payroll. How come those people are not doing that? Where are we going to get this expert opinion if our *Highways Act* is not any good?

Hon. Mr. McDonald: It does not take expert opinion to tell us that there are some deficiencies in the *Highways Act*, the *Motor Transport Act* and the *Motor Vehicles Act*. I got an earful from the Yukon Transportation Association over those acts.

The policy function in the Department of Community and Transportation Services, the second largest department of the government, is that of the Director of Policy. We have indicated that there are some significant areas where we would like to move in the coming year. They include the development of transportation policy, development of communication policy, the overhaul of the three major transportation acts, social housing policy, and staff housing policy.

There are a number of functions that the Director of Policy does on a regular basis. The Director of Policy was our negotiator for the Skagway Road agreement. There are a number of things that have to be undertaken, and the policy unit that we have is not of sufficient size to undertake that work. Consultant services will be necessary.

22 Mr. Lang: We are already talking about money that has been spent. Who did you get to consult, as far as the three acts are concerned?

Hon. Mr. McDonald: I will have to bring in the name of the consultant. I do not have that name.

Mr. Lang: Was it an outside consultant, somebody from outside of the Yukon?

Hon. Mr. McDonald: I will take that question as notice.

Mrs. Firth: Just to add to that, as a result of the consultant's findings, are there going to be some ongoing consulting costs related to it? Is this something that is going to be ongoing through the next year, two years? I guess the money will be identified in the O&M Mains for that.

Hon. Mr. McDonald: Yes, we are talking about a monumental task. The funding is identified in the O&M Estimates. We are talking about two years, probably. There is a whole range of areas where policy development is necessary. In the area of lands, however, the policy development for the most part has been undertaken in-house. I would see, in the near future at least, a policy development that would continue to be undertaken in-house. There is an ability to perform the work there.

Mrs. Firth: I gather then, with it being a monumental task, we would be looking at a considerable, monumental amount of money in the budget. Can the Minister tell us how much has already been spent on consultative fees and studies?

Hon. Mr. McDonald: A good portion of \$59,000 is for the review of the three highways acts. I cannot give the Member a specific allocation. I will undertake to find out about the amount of the money involved. For the Member of Porter Creek East, I will find out the name of the consulting service, and where the consulting service has their headquarters.

Mr. Lang: I just want to make a note for the record: we asked for a copy of the service contracts. The Minister of Government Services indicated that we would probably have them by the end of the week. If we happen to be through the supplementaries, I hope it is understood that if there are questions arising out of that material that money already being spent because it has not been provided to us, then I take it we could raise it in the Main Estimates. Is that correct?

23 Hon. Mr. Kimmerly: That is understood, and I give that commitment on behalf of the government.

Highways and Transportation in the reduction of \$1,219,000 agreed to

On Lands and Housing

Hon. Mr. McDonald: There are a number of things; four, specifically. Firstly the salary for the Manager of Lands in the neighbourhood of \$52,000 was allocated. There was some consulting services in the neighbourhood of \$20,000 for the reorganization of the Department of Lands. The needs analysis that I mentioned shows our contribution to be \$15,000, and the Whitehorse commercial assessment last year was \$30,000, for a total of \$117,000.

Mr. Lang: I have a question on the resurvey of Keno City as far as land is concerned. I do not believe I got a clear answer regarding the policy of the government. Are we going to recoup the resurvey costs, in time? I believe we are dealing with money in the magnitude of \$75,000 or \$100,000. Could the Minister give an indication of what they are going to have returned to the government as a result of the action taken in this area?

Hon. Mr. McDonald: The Member asked for a total cost. I believe it was \$75,000 or \$79,000, or somewhere in there. I do not know if all the bills are in on that particular item. As of February

12, \$83,000 was expended on the Keno town resurvey. The answer was as specific as I could give. My Cabinet colleagues and I have not taken a position as to the cost per lot in that community. The reason for the delay was that we were waiting for all the invoices to come in to give an indication of the total cost of the project.

The Member asked a question before about some resurvey of property near Teslin. They wanted to know the policy with respect to the sale of resurveyed lots. It is essentially not very much different from the sale of lots in the first place. There is the past practice of writing off a certain amount of the development for various reasons.

²⁴ It has been my understanding, from reviewing past practice over a number of years, that the writing off of lots depends very much on the quality of the subdivision and the ability of the local community to pay. That would determine, to a large extent, how much of the subdivision would be written off to so-called roads and streets.

In Willow Acres, for example, there was a situation where a large measure of the development was written off because there were considerable problems with the sale of the lots, and the desire of the community of Haines Junction to disassociate themselves from the development. The situation in Keno is not different from that in any qualitative sense. It is my own personal belief that the government, as I have indicated to the Member before, in this instance, because the original survey was not sensitive to the terrain or the community when the survey was done, bears some responsibility for the resurvey.

It may have been the Dominion of Canada that surveyed the community in the first place, and the Government of Yukon is surveying it now, but as far as the people are concerned, government is government, and the responsibility lies in part with the Government of Yukon.

We will recover a portion of the costs once we have reviewed the total bill and determine what will be written off to roads and streets in that community. The community is at the fork of the junction of the Keno-Elsa Road and the Dawson Creek-Mayo Lake Road. The portion to be written off to roads and streets has yet to be determined. There will be some chargeback to the community for the resurvey of those lots.

That decision has not been made as yet. It should be made sometime in the near future.

Mr. Lang: I should point out that a difficulty of going through the supplementies is that all of a sudden we are told we have an \$8,000 over-expenditure in this particular area that was not outlined in the initial statement by the Minister, as far as the \$117,000 was concerned, because it was taken from some other area or allotment. This is what causes us to ask specific questions, because we do not know whether a project is over, or under, or exactly where it is.

I understand that the project is completed at a cost of \$83,000. That is the number that has been presented, and the final number that the government has to consider. When does the Minister expect to take a decision in respect to what costs will be directly attributed to the property owner, as opposed to what is going to be taken and written off by the government, in other words, paid directly by the taxpayer? When will that decision be taken?

Hon. Mr. McDonald: I just answered that question: as soon as possible. It is my fervent hope that it will take place as soon as possible. I do not know where the Member got the \$8,000 over-expenditure from. The original budgeted amount was \$150,000. We only spent \$83,000. I do not understand the intent of the question.

All I can say is that the government will make a determination as soon as possible. We have a lot on our plate. I am very interested in allowing for the sale of the Keno lots to the Keno residents. They are very happy with the progress to date. We will make a determination as soon as possible. The Member wants a specific date; I cannot give it to him.

²⁵ Mr. Lang: I just want a ballpark figure of what we are dealing with. I think it was \$150,000, but a little earlier in the debate it was agreed that it was \$75,000 to \$100,000. Then we both agreed that it was \$75,000. The final price tag is \$83,000. Is that correct? Are there any other outstanding bills on this program?

Hon. Mr. McDonald: This supplementary was worked up in

period 9 and projections were made to the end of the year. As of February 12, which was after the budget was worked out, we had expended \$83,000 on the project. I have to check with the department as to whether or not there are any invoices that they will have to pay to complete the project. The \$83,000 is roughly what it will be costing. It is nowhere near the original \$150,000 that was originally budgeted.

Mr. Lang: I am pleased to hear that. Is all the work that is done by Government Services in maintenance and various other areas included in this budget or is it included in the Government Services budget?

Hon. Mr. McDonald: The budgeted amount includes the work done by Government Services, which will be charged back to the Yukon Housing Corporation for work done for the Housing Corporation. If I am wrong, I will let the Member know.

Mr. Lang: I think the Member is correct. I would like to know if the Member has the figures in front of him of how much was utilized for the purposes of paying Government Services for services rendered this year to the Housing Corporation. What amount was it? Was there an increase or a decrease over what was budgeted?

Hon. Mr. McDonald: I do not have the figures in front of me. I believe I have the projected figures for 1986-87 in my office. These figures are expected to be put towards maintenance services. I persume the Member wants to compare those figures with previous years for the cost-effectiveness for the use of Government Services. We can have that debate in the O&M estimates.

Mr. Lang: I am prepared to do that if the Minister would break up what that amount is in the Main Estimates for the utilization of Government Services. I would appreciate that undertaking.

²⁶ Mrs. Firth: I would like to go back to the administration line and ask the Minister for information I know he has. In that line, he had an amount for consultation for the communication policy, and it was under all the items in that \$184,000. It was the last item, consultation for communication policy. Could he give us the amount?

Hon. Mr. McDonald: There are a number of areas including transportation, communications and rail abandonment, which we have undertaken, for a total of \$86,000. If the Member wants specifically the work done on communications policy, the framework or groundwork, I can seek that information.

Mrs. Firth: I thank the Minister for his answer. I heard him say it was for some consultation and picked up the communication policy but understood there were other areas where they had some consultative services done as well, for a total of \$86,000. So, when we are discussing the other information about consultants, the name of the company and so on, maybe he could break that down for us so we know what that \$86,000 is spent for.

Mr. Lang: While we are on the question of land and the policy on land, could the Minister tell us exactly where he is in respect to the transfer of land from the federal government to this government?

Hon. Mr. McDonald: For the period of review a number of requests were made. There are a number of outstanding transfer requests as well. The policy was to identify needs and to make requests for the transfer. It proceeded in the established manner, which was to proceed through the Federal Lands Acquisition Committee for the transfer. It proceeded in the established manner and then on to the federal government. The federal government gave us a clear indication that they wanted the Yukon government to consult with local Indian bands and that consultation was, for them, a significant factor to take into account.

We did our best to consult with the Indian bands on a number of occasions. It was just on a piecemeal basis. There was no significant overall plan, but we made application. We were quite successful on agricultural land transfers in some respects. We made application for five, and we got four transfers of land that had not been delineated in any other way by a lease or otherwise. It was virgin federal Crown until the application for agricultural land was made to this government. So that was an encouraging sign. It fell short, of course, of our expectations for the future, but we feel we have a better process established that would see more land being transferred in the future and would satisfy the federal Minister's

concerns with respect to land transfers.

We applied for a number of areas, including Alaska Highway West lot enlargements. There is a list, and we have been successful in some and less than successful in others.

27 We have made application, and as I said in respect to agricultural land, progress has been made in principle.

Mr. Phelps: What has happened with regard to the lot expansions? Is there a block land transfer, as has been widely rumoured, coming through? Can you tell us?

Hon. Mr. McDonald: As we understand it, there should be absolutely no reason why a land transfer should not be coming through. We have satisfied all the concerns at all levels of government, including the political level. We have, as far as I am aware, catalogued out, jointly with federal officials locally, the lot expansions, so that both levels of government know which lots we are referring to and the exact expansion itself.

If there is a rumour that the Member is familiar with that says that the block land transfer is coming through, then I sure hope he is right.

Mr. Phelps: Is it one piece of land to cover the approximately 50 applications for lot expansions in that area, or are they small individual parcels that have been applied for?

Hon. Mr. McDonald: It is a block of land. It includes land in between the expansions. It covers the whole area and includes the expanded lots.

Mr. Lang: Is this particular section here where money would be allocated for the purposes of land use studies, if they are undertaken by your department? Specifically, I would like to refer to the Klondike Valley, which we talked about earlier on the Bear Creek controversy. It has been a concern to all Members of the House. If so, are there any monies allocated in this budget? If there is a study underway, who is doing it? When was it tendered?

Hon. Mr. McDonald: Very little work has been done on the Dawson Klondike Valley except regional planning. Some very preliminary work was undertaken in the last year. The lion's share cannot be spent this year. We have been trying to pull the players together in the absence of a planning process, including other government departments. This has been a difficulty, but it has also been establishing arrangements for the subregional plan for the area.

The subregional plan will be critical in determining land use in the district. We have experienced recently a conflict between an agricultural transfer in the area and the City of Dawson. We have made a request for the agricultural land. It has been transferred, and the City of Dawson now is suggesting that the transfer to the property owners should be deferred until the subregional plan is undertaken.

There are a number of very serious land use issues that have been undertaken under this plan, and we hope to get going on it in the 1986-87 year.

28 I hope that this is food for thought for the future and that the Member will bring up the subject tomorrow.

I would now like to move that Mr. Chairman report progress on Bill No. 17.

Motion agreed to.

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

Motion agreed to.

Mr. Speaker resumes the Chair

Speaker: May the House now have the report from the Chairman of the Committee of the Whole.

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

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

Some Members: Agreed.

Speaker: I declare the report carried.

Mr. Phillips: I move the House do now adjourn.

Speaker: It has been moved by the Member for Whitehorse Riverdale North that the House do now adjourn.

Motion agreed to.

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

The House adjourned at 9:28 p.m.

The following Sessional Paper was tabled April 7, 1986:

86-3-21

Protective Services Annual Report, 1985 (McDonald)