



# The Yukon Legislative Assembly

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Number 18

3rd Session

26th Legislature

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## **HANSARD**

**Wednesday, April 16, 1986 — 1:30 p.m.**

Speaker: The Honourable Sam Johnston

# Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

## CABINET MINISTERS

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

## GOVERNMENT PRIVATE MEMBERS

### New Democratic Party

Sam Johnston	Campbell
Norma Kassi	Old Crow
Art Webster	Klondike

## OPPOSITION MEMBERS

### Progressive Conservative

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

### Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

## LEGISLATIVE STAFF

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

<sup>01</sup> **Whitehorse, Yukon**  
**Wednesday, April 16, 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 now proceed to the Order Paper.  
 Are there any Introduction of Visitors?  
 Are there any Returns or Documents for Tabling?  
 Reports of Committees?  
 Petitions?

## PETITIONS

### Petition No. 1

**Clerk:** I have had the honour to review a petition, being Petition Number 1 of the Third Session of the 26th Legislative Assembly, as presented by the hon. Member for Tatchun on April 15, 1986. Pursuant to Standing Order 66(1) of the Yukon Legislative Assembly, it is my responsibility to report whether petitions conform to the rules recognized by the House.

This petition does not conform in the following respects:

1. The petition is not addressed to the Yukon Legislative Assembly as required by Standing Order 65(1), and Appendix 2 of the Standing Orders.

2. The petition is comprised of photocopies. Annotation 676 of Beauchesne stipulates that, "A petition must have original signatures or marks."

3. The petition is not consistent in its wording from page to page. There are as many as six different texts found in this petition, within the material presented to the House by the Member for Tatchun.

4. The petition is not dated, as required by Annotation 672 of Beauchesne and Appendix 2 of the Standing Orders.

**Speaker:** I must, therefore, rule that Petition No. 1 cannot be received.

### Introduction of Bills?

Notices of Motion for the Production of Papers?

<sup>02</sup> Are there any Notices of Motion?

Are there any Statements by Ministers?

This then brings us to the Question Period. Are there any questions?

## QUESTION PERIOD

### Question re: North coast port

**Mr. Phelps:** I have a question for the Government Leader with regard to the establishment of a port facility on Yukon's north coast. We hear on the news that the firm Interlog Monaco is rather upset because they have had no real encouragement from government to proceed and are, therefore, unwilling to spend further monies and are in the process of backing out. Yet, this port is extremely significant to all Yukoners, particularly because it would provide many jobs and also because it would certainly have an impact on Yukon's jurisdiction in the Beaufort Sea. Can the Government Leader advise whether this government has done anything to encourage the Minister of Northern Affairs to take steps to assist and facilitate the proposal for this port?

**Hon. Mr. Penikett:** I understand the officials of the company, quoted by the Leader of the Official Opposition, are most concerned with the lack of response from the federal government, and it is the federal government against whom they are grieving. The Yukon government has not taken a detailed policy position with respect to the port even though work by this government on the question is going on. Our officials have been kept apprised of the project's process. Economic development officials have maintained

ongoing contact with those from the proponent. The department, in the last few months, completed two studies, an impact analysis of the industrial development on the North Slope and computer simulation model with funding from NOGAP to assist in the evaluation of this project.

The Minister of Renewable Resources met with the proponents in October of 1985 to discuss the project concept and the Yukon benefits, and the Yukon government has demonstrated that, by being the first party to nominate members to the COPE committees, they support the early assessment of north coast development issues.

As well, I am confident, given the background of the new Deputy Minister for Community and Transportation Services in federal transport, with some expertise in the area of ports, that we will be able to use that newly-acquired knowledge in this government to our advantage when we get down to the substantial discussions with this company about the port issue.

<sup>03</sup> **Mr. Phelps:** I am pleased that the government has been cognizant of this application and has undertaken some internal studies for its use through NOGAP.

Why is this government not taking an active role and trying to convince the federal government that it ought to proceed as quickly as possible with setting up the environmental screening process and encouraging this kind of economic development on Yukon's North Slope?

**Hon. Mr. Penikett:** I think we are taking an active role and probably a more active role than the federal government on this question. It has been the subject of conversation with the Cabinet Ministers of this government and Cabinet Ministers of the federal government. Those conversations are privileged and I do not want to disclose them in this House. We are doing substantial work on this question.

As the Member knows, at one time or another, there were different proposals for ports on the Yukon north coast. This was the more recent of the two. It is our perception that the substantial complaint of the company has to do with their inability to deal with the consequences of the COPE settlement and the fact that the federal government and others have not nominated all their people to the committees that have to deal with these questions.

**Mr. Phelps:** Has the government, through correspondence or verbally, encouraged the Minister of Northern Affairs to move more quickly on the issue of this port?

**Hon. Mr. Penikett:** With this Minister, as with other federal government Ministers, we have expressed our interest in the project. We have explained that we are particularly interested in such issues as the industrial benefits to Yukon residents, which we are interested in obtaining as we get more detailed information about the project.

We have not had much detailed information as of yet. The only substantial information we have of the project was a copy — not a brief to us, but a copy — that we were given of an early submission to the federal government. We have to have lots of discussions with the federal government concerning the government infrastructure required to support the facility, the environmental questions, the major public issue questions that concern both the federal government and us. There is also a question of private ownership as opposed to public ownership ports.

This, the former Minister will understand, is a strategically significant area on the Yukon north coast. It is of some concern, especially as some of the principle private proponents are non-resident or foreign companies. We have indicated to federal officials our interest in the project approvals processes and the likelihood of the project program going ahead given the current situation with oil prices.

### <sup>04</sup> Question re: North coast port

**Mr. Phelps:** With regard to the same issue and the same subject matter. Here we have an issue, a proposed development that is extremely important to Yukon at this time, which, Cyprus Anvil aside, has probably the most important economic potential of any new development in the territory. It has far-reaching ramifications with regard to Yukon's constitutional position, vis-a-vis other parts

of Canada. Why has this government not insisted that the federal government move more quickly with regard to setting up the screening committee and the various advisory bodies so that a decision can be made and so that the process can be underway? We stand to lose these jobs.

**Hon. Mr. Penikett:** I am very interested in the Leader of the Official Opposition's comments and recommendation to us. I am especially interested in that one hundred-and-some thousand dollars in the 1984-85 budget, under NOGAP, for a transportation study on the North Slope, lapsed under the previous government because they did not do the work that we are now starting to do.

Our conversations with people in the energy business, who are the most likely potential users for any port on the north coast, indicate that there is absolutely no urgency about the proposal right now, since there is, given the current oil price situation, very little economic impetus for fast-tracking this particular project.

**Mr. Phelps:** I, as a private citizen, a year ago last December wrote various Ministers urging them to establish the necessary framework and advisory boards under COPE as quickly as possible, so that decisions could be made on Yukon's North Slope. I would like an explanation as to why this government has not been pushing to have, at least, a structure put in place so that decisions can be made in a timely fashion. The oil prices did not start to decline severely until very recently. He knows that.

**Hon. Mr. Penikett:** Not only did they not decline quite recently, but the projections we have are that they will likely stay low for some period of years. We are working on the project. We are working responsibly. We have not yet, in terms of the initiative or the keenness to the thing, had even a formal presentation from the proponent in the kind of detail that we have asked for. We have had contact with the company. We have had contact with federal officials on this matter. It is not for us to develop the proposals in such depth, and such quality; it is for the proponent to do them, so that the project can move through the proper process system.

The Member opposite is concerned about federal details in establishing certain review processes. I will convey that representation to the federal government.

**Mr. Phelps:** Will the Government Leader convey to the proponent, Interlog Monaco, that this government is very interested in seeing the application go forward and be screened by the appropriate bodies as quickly as possible?

**Hon. Mr. Penikett:** As I have already indicated, we have met and communicated to the company, in various ways, our interest in the project. We will be happy to meet with them again. I am even prepared to initiate such contact.

#### Question re: Curragh Resources explosion

**Mr. McLachlan:** In light of the unfortunate incidence yesterday at the Curragh Resources mine, I would like to draw the attention of the Minister to a problem that we are having in staffing of the local RCMP detachment.

The caseload is increasing and the active files are as many as when we had three or four officers before. Yesterday, when trouble started, one of the members was out of town. Since we are paying a lot of money for the policing agreement with the RCMP, is there anything the Minister can do, in meeting with the divisional superintendent of the RCMP, to see about getting our staff complement increased by at least one, so that we may get up to a more active role in Faro?

**Hon. Mr. Kimmerly:** I had conversations with the Chief Superintendent of the RCMP before the mine's reopening. We talked about two principles. One was not abandoning the police protection in Faro at the time of closure, and second, maintaining the flexibility to increase the staff complement at the appropriate time.

The RCMP are keenly aware of these kinds of situations, and do have the capability of moving people temporarily fairly quickly. I will raise this issue again, after the Member's representation.

**Mr. McLachlan:** If the Minister is meeting with the Superintendent, could he also see if there is anything that could be done to speed up the community getting a jail? The only jail in the town was condemned by the Minister of Community and Transportation

Services and we have had no replacement facility since. We have no incarceration facilities and, if the facilities do have to be used, we have to go to Ross River, 40 miles away, and that takes away one more officer and a civilian guard. Is there anything that the Minister could do to speed up this process?

**Hon. Mr. Kimmerly:** I will look into the question of the lockup facilities at Faro.

**Mr. McLachlan:** Just as a matter of interest, can the Minister advise this House if he knows that there are members of the local detachment here in the territory who are trained to handle bomb scares, or does this facet of policing for the territory have to come from outside the territory?

**Hon. Mr. Kimmerly:** I do know that there are personnel here in the territory who are trained in this area.

#### Question re: Alaska Marine Lines

**Mr. Lang:** I have a question for the Minister of Community and Transportation. It has to do with a question I asked a number of days ago regarding the Alaska Marine Barge Line and the requirement for them to reapply this coming spring for a renewal of their licence to be able to provide freight services to the Port of Haines, and, perhaps, in the summer to Skagway in order to provide a transportation option to the local people as a link to the south.

It goes so far as a further justification for the extension to the infamous liquor warehouse, and the debate we had numerous times in this House.

Has the government taken a position regarding the renewal of this licence?

**Hon. Mr. McDonald:** When I last answered the question on this matter, I suggested that we would hope to have solidified a position in a couple of days. We have not yet come to a decision.

There are three factors to take into account when making a determination. The first factor, I would suggest, is the issue of preference given to a Canadian carrier. The second is the frequency and quality of service, and the third is the costs associated with that service.

We have been given an indication that the barge service would be quite cheap — much cheaper than the freight and container service offered by White Pass. We have yet to determine what sort of service White Pass is to offer on a year-round basis. Clearly, we have no hesitancy to recognize that White Pass is a Canadian company, as the operations are Canadian based.

One other factor beyond those three, which we are attempting to work into the equation, is the issue of competition on that route to encourage the most cost-effective service on an ongoing basis. Those factors, in total, will determine our position.

**Mr. Lang:** I appreciate the list enumerated by the Minister. To look at a number of those items is really under the purview of the federal board. Our responsibility is to ensure that we have barge service.

When is the government going to take a position on this matter? It is an outstanding matter, and it is an important transportation link in Yukon. I would like to know what the position of the government is going to be, and when they are going to make a decision.

**Hon. Mr. McDonald:** The federal board will be determining the matter. In making our decision, we have to incorporate all of those factors as well, certainly in the interests of Yukoners and Canadians.

I suggested, the last time I spoke on this question, that we would try to have an answer in a couple of days. I believe the deadline is the middle of this month, but we will try to have a decision well before that. I am hoping that we will be solidifying our position shortly when the information comes in.

**Mr. Lang:** I am trying to get a definitive time as to when a decision is going to be made. I have heard the word "shortly"; I have heard the phrase "a couple days", and that was a couple days ago. I would like to know when a decision is going to be made. When is the government going to have, in his judgement, the information available to make a decision? Tomorrow, next week or two weeks from now?

**Hon. Mr. McDonald:** I will commit to the Member that we

will have made a decision before the Water Transport Committee of the CTC makes their decision. My understanding is that there is still time. There is some information we are trying to collect that will help make the wisest decision in the time we have. I suggested to the Member this week that we would try to have a decision in a couple of days. Two days have passed, and we have not yet come to a decision, but it will be as soon as we can collect the information to make the wisest, soundest decision. We will do it as soon as we can after the information comes in.

#### Question re: Banking services

**Mr. Nordling:** My question is to the Government Leader with respect to banking services. In the Throne Speech on March 13, it was said that the government had completed a review of its banking services and was going to call for proposals. In a Ministerial Statement on March 25, the Government Leader said the government was going to issue invitations to all financial institutions in Canada to forward proposals. Have the invitations gone out and, if so, has the government received any proposals?

**Hon. Mr. Penikett:** Because I do not want to give the Member any wrong information, I will have to double check to see if they have actually gone out. The news that we are taking this initiative in the banking area has permeated outside of this building and there have, I know, been some inquiries from banking institutions, including one that is not resident in the Yukon Territory.

**Mr. Nordling:** Can the Government Leader tell us if there is going to be a time limit for which they are going to be accepting proposals or is there going to be a cut-off date?

**Hon. Mr. Penikett:** That is the normal practice in such things. I expect there will be a cut-off date, and I will bring the Member the information either tomorrow or later today.

#### Question re: Young offenders

**Mrs. Firth:** I have a question for the Minister of Health and Human Resources regarding studies for young offenders. From May 4 to July 19 of 1985, the government contracted with a consultant to do a study to provide project services relating to the planning stage of a young offenders facility, pertaining to the budget for the facility, to zoning applications and to a public participation strategy. This study cost \$19,930. Will she table this study?

**Hon. Mrs. Joe:** I anticipated the question from the Member and I have already instructed my department to put together the information for her.

**Mrs. Firth:** From July 5 to December 31 of 1985, the government contracted with a consultant and extended that contract to March 31, 1986 to do a study to provide planning services respecting young offenders residential facilities and programs for open and secure custody and a staff consultation plan.

This study cost \$35,000 and the extension was \$20,000 for a total of \$55,000. Will the Minister table this study also?

**Hon. Mrs. Joe:** I also instructed my department to give me the information on that and I will provide it to the Member.

**Mrs. Firth:** From January 13 to March 31, 1986, a consultant was contracted to do a study to review existing wilderness and recreation programs and investigate options for young offenders by considering wilderness activities. The cost of this study was \$15,500. Will the Minister table this study also?

**Hon. Mrs. Joe:** The same answer applies to that also.

#### Question re: Job Evaluation Study

**Mr. Coles:** Can the Minister responsible for the Public Service Commission tell the House why approximately 385 public employees are not covered under the Job Evaluation Study?

**Hon. Mr. Penikett:** I know that the Yukon College people were not included in the JES. There are some other people, senior managers were not included. If the Member wants to know who those 385 — if it is 385 — people were, I will come back with the information.

**Mr. Coles:** At least 37 positions in the Yukon Government Employees Union are not covered under the JES. We would like to know why.

**Hon. Mr. Penikett:** I would be happy to get that information.

It may be an integral part of some detail that is more suitable for the Estimates debate, but I will bring back the information in any case.

**Mr. Coles:** When the Government Leader does bring that information back, perhaps he could let the House know if there are plans to extend the Job Evaluation Study to cover those 37 employees who, I believe, are the Yukon College employees.

**Hon. Mr. Penikett:** The result of the JES was a new classification system for this government. New positions and positions that have not previously been classified presumably can be evaluated under that system. The Job Evaluation Study, itself, was a finite study, which is now finished. The result of it is a new classification system against which new positions or proposed positions can be evaluated.

#### Question re: Janitorial services

**Mr. Lang:** On April 9, this House passed an amended motion that read as follows: "It is the opinion of this House that the Minister of Government Services study the retendering of the janitorial services in the government administration building to the private sector, giving due regard and consideration to the inclusion of a fair wage schedule and adequate performance guarantees in the tender documents, and that the Minister table this study in the House."

When this amendment was drawn up, did the Minister discuss with the Liberal Party just exactly how the study would be undertaken and who would undertake it?

**Hon. Mr. Kimmerly:** No.

**Mr. Lang:** Who is going to undertake this study? Is it going to be local, national or an international consulting firm?

**Hon. Mr. Kimmerly:** It will be local.

**Mr. Lang:** When will the study be done, and how long does he think that it would take to do such a study? When does he expect a definitive decision on this matter to be taken?

**Hon. Mr. Kimmerly:** Within a year.

#### Question re: Raven carving

**Mr. Brewster:** In *Hansard* on April 8, the Minister stated, "Yesterday my response was that it was a cost-effective decision." If the Minister did not obtain quotes from firms or wood carvers in the Yukon, or even other B.C. firms and carvers, before issuing the contract, how does the Minister know it was cost-effective?

**Hon. Mr. Porter:** We did not respond immediately to this question because of the fact that the people responsible for management of Expo were on the way to Expo when this question was raised in the House. It took some time to sort it out between their office in Vancouver and ourselves. The final response on this issue is that there are a number of factors that include the question of cost, which the Member talked about earlier; the question of time, the question of the wood itself and the expertise.

In terms of the time, the concept was not approved until February. A proposal from the carver was only received and the contract let in March. In order to have this completed by March 31, and delivery to Expo, we were looking at a short timeframe that would not involve tendering and bringing the work back to the Yukon.

As well, we would have had to search for the wood, identify it, purchase it and then ship it. I checked on shipping costs as well. My figures from a local firm were that shipping the wood would have entailed \$500 one-way from Vancouver to Whitehorse. We were looking at \$1,000 cost with respect to the shipping of the wood. If you look at the \$2,500 on top of that, it would have been quite costly.

With respect to the material, it was determined that cedar should be used because of its resilient qualities. In short, those are the answers with respect to the question raised by the Member.

**Mr. Brewster:** On April 8 in *Hansard*, the Minister for Renewable Resources said, in response to a question on the raven, that the policy of local hire has not been totally completed.

Would the Government Leader tell us what the current practice of the government is with respect to hiring people and issuing contracts, and when will the government's local hire policy be made known to people?

**Hon. Mr. Penikett:** The broad policy outlines have been indicated. I expect to be able to get into a long discussion with respect to the Public Service Commission, in particular, on how we will be able to improve local hire when we get to that estimate in the House.

It has long been the stated policy of governments of the Yukon Territory that we would hire locally. The Member will understand, though, that there are not always the skills present in the communities that we require and there are not always present in the communities economic ways of having a service or a particular good provided to us.

<sup>10</sup> I would ask the Member to keep in mind that the exposition we are discussing is in Vancouver, and I am sure that would have had a bearing on the officials who made the decision.

**Mr. Brewster:** On October 2, 1985 the Government Leader stated, "This government has made a strong commitment to local hire". Does he not agree then that to contract the carving of a Yukon raven, to be displayed in the Yukon Pavilion, to a Vancouver individual is an ultimate insult to Yukoners who accepted this raven as their bird and to the Yukon natives whose heritage is based on this bird?

**Hon. Mr. Penikett:** No.

#### Question re: Traplines

**Mr. Coles:** A question to the Minister for Renewable Resources. Is the Minister familiar with the conflict that took place between the two trapping concessions, the one we discussed the other day, and the one belonging to a Mr. Metropolit, I believe?

**Hon. Mr. Porter:** I would not call them conflicts. I am aware that there were discussions with respect to a joint management of adjacent lands to the two traplines.

**Mr. Coles:** Joint management seems to apply to only one of the managers. The other one does not see it that way at all. Is the Minister aware that his department actually took a piece of one of the traplines and transferred it over to the other one?

**Hon. Mr. Porter:** My recollection of that particular issue was that there was a trail between the two traplines, and there was some discussion as to the joint use of that trail. There was an agreement struck between the two trappers witnessed by officials in the department. Both trappers agreed to that arrangement, I am made to understand. As to whether or not there was, in fact, a transfer of a portion of the trapline, I would like to reserve judgment on that and check the record to ensure that it is accurate.

**Mr. Coles:** The agreement the Minister speaks of was drafted and put together when one of the trappers was on probation. He told me today that, perhaps, he was scared to not sign the agreement because it may have had some detrimental results in him getting a final five-year trapline concession. Does the Minister know that the trapline that was awarded the trail was for sale for the last two years and has recently been sold?

**Hon. Mr. Porter:** In terms of whether or not there is insinuation that somehow the trapper signed the agreement under duress has not been reported to me and are not my facts on the matter. My understanding is that they agreed to meet and have those discussions and the subsequent agreement that came out of the meeting was supposedly an arrangement that was to be binding on the parties. If there is a change of heart on one of the parties, then it is that particular party's responsibility to address the issue to the other person who was involved in the negotiations and seek redress through the process of negotiation. That would be the responsible course of action.

With respect to whether or not the other trapline that the other trapper owned has indeed been sold, I do not know. I will check the record for that as well.

#### <sup>11</sup> Question re: Arts Canada North

**Mrs. Firth:** According to the Projects Manager for Art Canada North, the Department of Education made a commitment them that the community services wing of the college would be put on hold until a decision could be made on whether or not the college's proposed auditorium and art gallery area might better be located with the proposed art centre. Yet, in the Legislature, the Minister

stated that he had made it very clear that the government plans to build a theatre at the college site. That was in *Hansard* on April 10, page 281. Could the Minister of Education tell us what the government's decision is regarding this matter?

**Hon. Mr. McDonald:** The department told Arts Canada North that the wing of the college that had been scheduled for construction starting this coming year, would be put on hold until 1988. That would give time for Arts Canada North to make a better case for relocation of that facility. The project as it stands now, without better information, is that the wing that incorporates the theatre will be built on schedule starting 1988-89.

If Arts Canada North can come up with some information including that with respect to whether they might find capital funds and O&M funds for a specialized facility in downtown Whitehorse that was significant, then we might alter our decision. As it stands right now, the community wing including the theatre will be built on schedule starting in 1988.

**Mrs. Firth:** Has the Minister communicated with the Project Manager from Arts Canada North and expressed that that is the government's position, because I understand they are in the process of seeking funding?

**Hon. Mr. McDonald:** I do not know of whom they are seeking funding beyond the funding for the feasibility study that has already been granted to them. With respect to seeking funding for capital expenditures, they have not approached me with any requests.

The people at Arts Canada North are familiar with our position, I believe. I have made arrangements to speak with one proponent to clarify any misunderstanding that may have arisen in the past week. I do not know if it is the same person the Member is talking about.

#### Response re: Curragh Resources coal

**Hon. Mr. Penikett:** I have a couple of answers to questions that were asked in the House yesterday. The Member for Porter Creek East asked about Curragh Resources's purchase of coal. We have communicated with the mining company. They have informed us that there were only two Yukon bidders, Nadahini and Whitehorse Coal. In addition, there were several BC bids. The contract award to Nadahini is not final until they complete the test burn satisfactorily on or about May 16.

The award was based on the fact that that company's bid was far lower than Whitehorse Coal's bid. The bid was on the basis of delivery to the mine site, whereas in the other bid cost would be incurred in loading and transportation.

Finally, Nadahini's quality of coal and security of supply were better. It also pointed out that the principles of Nadahini are long-term Yukoners and that they proposed to create employment in Ross River as a result of this project.

#### <sup>12</sup> Response re: Members' expense claim processing

**Hon. Mr. Penikett:** The other answer I have I will not read in detail, but it concerns a question put to me the other day by Mr. Brewster and Mr. Coles, the Members for Tatchun and Kluane, concerning late processing of the expense claims. I do apologize. The fault is not in the Clerk's office at all. The record will show that the processing of these claims has been expeditious, both in the Clerk's office and in the Department of Finance. I have a track record here with respect to each one of the claims. The problem we have had this past week is that a particular computer has been spitting out some garbage. I understand the problem is now on the way to being corrected. The cheques will be to the Members soon.

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

Motions other than Government Motions?

#### ORDERS OF THE DAY

#### MOTIONS OTHER THAN GOVERNMENT MOTIONS

**Mr. McLachlan:** I request unanimous consent to waive the provisions of Standing Orders and commence with a discussion of the motions in the order agreed to by the House Leaders.

**Speaker:** Is there unanimous consent?

**Some Members:** Agreed.

**Speaker:** There is unanimous consent.

**Motion No. 22**

**Clerk:** Item number 6, standing in the name of Mr. Phelps.

**Speaker:** Is the Member prepared to proceed with item number 6?

**Mr. Phelps:** Yes, Mr. Speaker.

**Speaker:** It has been moved by the Leader of the Official Opposition that it is the opinion of this House that the Minister of Justice should enter into negotiations with Curragh Mining Properties Inc. for the purpose of amending the Mortgage dated the 22nd day of November, A.D. 1985, between Curragh Mining Properties Inc. and the Commissioner of the Yukon Territory and registered in the Land Titles Office the 13th day of February, 1986, so that:

a) the amended Mortgage will contain all clauses contained in normal mortgages for the protection of the Mortgagee, and

b) the amended Mortgage will set out in clear language the terms of repayment and among other things will clearly state that property taxes will remain a first charge against the real property against which the Mortgage is filed and that any portion of interest payable on the Second Mortgage will not be forgiven in the event that the Mortgagor is unable to pay any portion of interest owing in any given year.

**Mr. Phelps:** We put this motion forward in good faith because we feel it is in the best interest of Yukoners. We were disappointed when we were finally able to go and view the mortgage when we understood it had been filed. We were quite disappointed with the quality of the documentation.

Before I get into that I would like to say a few words about our position vis-a-vis the mine and the opening of the Cyprus Anvil mine. I want to make it very clear for the record that we support the opening of the Cyprus Anvil Mine and continue to do so, but we had a very limited time in which to debate the issue last October. At that time we moved ahead on certain assurances from the government. It was on the basis of the information conveyed to us at we did proceed at that time.

I think it is very important that the references made to the second mortgage in the documentation, which was made public and discussed in this Legislature back then, gave us absolutely no inkling that the mortgage would be anything but a documentation that contained the standard kinds of clauses referred to in this motion with regard to protecting the mortgagee. Such clauses as acceleration of payment, solicitor-client costs, receivers and immediate possession.

I would refer to the news release dated October 28, 1985 entitled "Faro Mine to Reopen", page 2, there is a discussion of the mortgage, "In addition, the Government of Yukon will purchase 122 properties in the town of Faro for \$1.6 million, and will provide a second mortgage to Curragh of \$3.4 million on 162 additional properties in the town. The chief feature of the mortgage is a two-year holiday in interest payments with a two-year deferral of principle payments. This would allow the company to bring the mine to optimum production levels as quickly as possible. The mortgage will be amortized at 10 percent over seven years."

It is also referred to, with no further qualification to the quality nor content of the document on page 2 of the attached background information to that news release and released that same day and is referred to again at page 8 as the second mortgage, the security document.

We proceeded on the basis of the scanty information made available to us as legislators at that time, and I think it is important to underline our position with regard to the opening of the mine. We dearly wanted it to reopen, but we have a duty to ensure that the taxpayers of Yukon are protected to the maximum extent possible in circumstances such as these. When we feel that the government has been less than fully competent in protecting those people, we have a duty, in my opinion and in the opinion of our party, to examine whatever the documentation is, or whatever the proposal is, and to constructively criticize such documentation and provide suggested solutions. This is not the first time we have gone through this

process with regard to the opening of the mine. We certainly went through this in some detail with regard to our concerns over other aspects, such as the safety situation on the Carcross-Skagway Road, local hire, and the maximization of providing local economic benefits to businesses for the provision of supplies to the mine itself.

<sup>14</sup> This simply is in keeping with that attitude and our concern that we do act in the best interests of the taxpayer.

To that end, I think that it is prudent to once again recite part of the piece that I gave the Legislature on October 28, 1985 on page 304, "I think we all understand the urgency of the matter before us, on one hand. On the other hand, I think it is appropriate that we particularly point out our concerns about the manner in which the public monies are being expended by this government. I think it is useful to summarize the concerns. After having done that I can say that we will be prepared to go rapidly through the bill and see it passed. I think that it is important that there be a place where we have collected the concerns that arise from all of the questions that have been directed at the Ministers and at the witnesses today. I will proceed to do that."

We went through various concerns and we have been following up on those concerns. There was certainly ample notice to the government as to what the concerns were as a result of the discussions. At the end of summarizing the concerns, I said, on page 305 of *Hansard*, "Having said that, and saying that we are supporting the speedy passage of the bill before us, and we are on record as being very pleased that the mine will reopen with the accompanying benefits for Yukon, I reiterate that I still think it does serve some purpose to outline our concerns and draw together the results of questions and answers that we went through this afternoon."

Well, at that time, we asked a few questions about the second mortgage but we had no cause for concern. We expected the standard kinds of protections for the taxpayers of Yukon in the document. We also expected it would be a normal second mortgage with the qualifications that I read into the record from the news release about the two year holiday on the payment.

When we examined the end result that was filed and became a public document on February 13, 1986 — that was almost four months later — we were somewhat surprised by the quality of the second mortgage. The security, which was firmly stated to be this document that secured the repayment of the principal and interest as explained and set forward in government documents last October.

I do not want to go into a long harangue about the mortgage. We have talked about the standard clauses not in there. We have asked numerous questions about Schedule II, which deals with the payment of the funds that are secured by this document. They raise a series of issues because of the lack of clarity with which the document is drawn. While we can argue forever, I do not want to get into legalese with regard to what that clause means.

But, suffice it to say that it is certainly the opinion of people I have spoken to, and of myself for that matter, that this language is sufficiently unclear that it could very well go to court on the issue of the obligations of the mortgagor or of, mainly, Curragh or of anybody who buys the property from them.

<sup>15</sup> This document is the notice to subsequent purchasers who come along. They go to the Land Titles Office; they look up the document. Some might snicker a bit, but that is the level of protection that we have at this time.

At the same time, I understand there are ongoing negotiations with respect to the payment of some of the monies under the master agreement. We have a situation in which we have been assured by the Government Leader that, in the subsequent contribution agreement, protections will be built in that deal with some of our concerns as expressed on October 28 with respect to local hire and local business opportunities for supplying the mine with goods and services. We accept that.

We were a little disappointed that there was not a better protection in place by now; however, we understand that the government is moving to correct that shortcoming. We understand, too, that they fully support our position that there is a need for a safety program on the Carcross-Skagway Road. We applaud the

side opposite for now, rather belatedly, coming to grips with that extremely serious and important issue.

The end result is that, in a timely fashion, we will have a safety program. I firmly believe that it is largely because of the efforts of the people on this side of the House.

This motion is simply designed to encourage the government to put into place an amended mortgage that has teeth, that will protect the interests of the taxpayers. It is not designed to do anything more than that. We feel that we are offering a positive solution to an obvious problem. We do not feel that clauses in the other 800 documents take the place of the need for that protection and clarity to be built into the primary document that is the security for this government, by their own words, namely the second mortgage.

**Hon. Mr. Kimmerly:** This afternoon, we have seen the result of what happens when the Conservative Caucus is 33 percent lawyers. I could apologize to the 66 percent who are not, but after that speech, I must respond in kind, of course.

The substantial criticism of the mortgage, it appears, is that the Leader of the Official Opposition is concerned about, "the quality of the documentation". He has said the quality of the second mortgage has, and he used the phrase, a lack of clarity. As any good lawyer knows, in order to be clear in a legal sense, what you do is rely on the words, or the form of words, that have been recognized as having been clear in the past. It is generally called a precedent.

In the case of land law, and especially land law in the Yukon, we have a very complete statute called the *Land Titles Act*. If the lawyers on the other side would take a moment and look at that act, they will find that there is a schedule of forms on that act, and there is a statutory form, a statutory precedent, a template, if you like, for a mortgage. If they compare the registered second mortgage with that form, they will have a surprise. They will find that the mortgage that was registered follows, word for word, the statutory form. I have a copy of it here, and I have done that.

<sup>16</sup> The mortgage interest is secured in language that is simple and as clear as can possibly exist, because it is following the statutory form as published in the statute. There is no lack of clarity about the fact that there is a second mortgage. It is registered on the properties involved, and it is clear that 10 percent over a seven year term follows the statutory form. It is registered. That is exactly what the news release of October 28 said; that is exactly the protection that we have.

There were many questions in Question Period about this mortgage and the other terms. The motion talks about municipal taxes and about interest. It is interesting that, in the speech that the Leader of the Official Opposition gave, he did not mention anything about municipal taxes, although the motion does. Perhaps he realizes that the interpretation that he put on the document in Question Period is simply unsupportable. In fact, on the question of taxes, it is absolutely clear that property taxes would remain, and do remain payable in accordance with the applicable laws. In this case, there is a priority of where payments are to be made first, if there are insufficient funds in a year to make those necessary payments.

The priority of property taxes, as a charge on property, is established by law and neither the Government of Yukon nor any other party can contract out of statutory requirements, even if they choose to do so. We do not choose to do that.

In this particular case, the mortgage terms do not even purport to do so. Schedule II, clause 5(b) purely and simply deals with the allocation of rent and sale proceeds realized from the subject properties.

The interest payments under the schedule are revenue driven, if you will. It is necessary to establish what amounts may be paid from those revenues prior to ascertaining the net revenues available.

<sup>17</sup> The revenues must be used first in satisfaction of the first mortgage — that is clear and obvious and is to be expected — and the principal payments on the second mortgage. They may, however, be applied in respect of property taxes, prior to the ascertaining of any amount available to satisfy interest on the Government of Yukon's second mortgage. Were the property taxes

to be unpaid, the normal remedies would occur.

It is useful to explain the rationale of that particular scheme, which was negotiated by the government and the other parties with our eyes wide open. It is, of course, in everybody's interest that the municipal taxes be paid. The government made a policy decision, if you will, that it is more important, especially to the people of Faro, and to the people of all of the territory, that the property taxes be repaid in a priority to the interest on the second mortgage.

In the happy event that we expect, that there is sufficient monies to pay the taxes and the mortgage, nobody is concerned because both are paid. However, in the unhappy event that there is not sufficient revenue, it is more important that the municipal taxes be paid than the interest be paid, as a matter of policy. However, we are cognizant of our duty to the Yukon taxpayer, and we clearly have made a policy decision that the principal amount, the \$3.4 million, should be repaid in priority to some other amounts, including municipal property taxes and interest.

I had said, in Question Period, that it was not the policy of the government to forgive interest if Curragh was unable to pay interest. It is important, here, to be very, very clear — and I will try and use a legal clarity, or lawyer's language, perhaps — that what we are doing here is separating out the revenue issue, if you will, the business of property management from the business of mining. That is, the revenue from the mine shall be considered separately from the revenue from the management of the properties. <sup>18</sup> The terms in Schedule II of the mortgage refer to the revenue related to the properties, not the mine, and it is very clearly stated in that mortgage that that is the case.

Now the motion asks me, as an office, as the Minister of Justice, to enter into negotiations. I am pleased to be able to report to this House that those negotiations are totally unnecessary, because the intended result, as specified in the motion, has already been achieved. It is not registered as a public document as of this moment. It is still in the process of preparation, but the negotiations have already occurred and were contemplated with the original negotiations for the original transaction. There has been a minor change, and it is a relatively minor change.

In the original negotiations, it was contemplated that the mining company, Curragh, would assign or sell the properties to a real estate company that would probably, in lawyers' language, not be at arms length; it would be a subsidiary. However, that is business and not government.

What has happened is that Curragh have found a local business, Faro Real Estate Limited, and Curragh and Faro Real Estate have entered into negotiations and have an agreement that is not, I believe, at this instant, registered on the properties. It is in escrow. However, it is a written businessperson's agreement, and it is an agreement between one business entity in the private sector and another. I am informed that the relationship and the contracts between those two entities is strictly confidential at the moment. I can inform the House that the government is aware of those deals, but is aware under strict lawyer's undertaking concerning their confidentiality. As a politician, I would love to be able to table all the documents; however, the businesspeople have entered into those agreements and will not let us. It is private business.

The transfer or the agreement to transfer has occurred. We have consented, as a government, and as part of our consent, we have negotiated further about the standard clauses that you will find in a standard form mortgage.

<sup>19</sup> Laypeople would call all of this "the fine print", in the five or six page mortgage. Some of them are 30 pages, and it is all fine print. The fine print has been agreed to in principle, as to what it will mean, and we will have those lawyers' documents, and the lawyers will probably get an appropriate cut of the business, as they always do. That negotiation and that agreement has already occurred, and the government is protected as to those legal technicalities, or the fine print.

After saying that, I should caution, especially Members opposite, that it is probably not appropriate, or it is not the most intelligent response to a possible default, to rely on all of that fine print. Should there be a technical default, and if we "pulled the plug" as the holder of the second mortgage, this action could scuttle the



whole deal. It is the government's intention to, very clearly and simply, guarantee that our payment of \$3.4 million is secured by a legally enforceable second mortgage.

We have done that in clear and simple terms. We have negotiated all the appropriate legalese and fine print and technicalities, and that will be forthcoming when all these things are registered and made public.

In summary, I will be very short, because I know all the non-lawyers are bored to death. The lawyers are fascinated, of course. The legal technicalities here are well looked after.

**Mr. McLachlan:** The Member for Hootalinqua has said that he and his party fully support the opening of the Curragh Resources mine and all the related documentation that has had to be done in connection with it. I am sure that he is genuine when he says that. The perception is not always that, I am finding, amongst the media, amongst the press and amongst the people I have talked to.

We have had a number of questions raised about road closures, restricted highway traffic, safety on the highway, mortgage questions, and yesterday, questions on an NCPG generator that seemed to point in the direction that somebody was getting a sweet deal for very little money.

<sup>20</sup> In times, in painting this picture, there are inconsistencies in the speeches of the Leader of the Official Opposition has made. One of those instances, quoted in *Hansard*, was complaints that the people in Carcross would have about truck traffic through that area at night. Yet, at the same time, there has been discussion about closures of the road during the day when high tourist traffic comes through. You cannot have it both ways. One automatically translates into truck traffic at night. This is the sort of thing that I am referring to.

Not one of the people whom I have talked to in Faro believe that there is anything amiss with the mortgage documentation and the payment of the property taxes. Property taxes are clearly indicated by municipal law as to who is going to get them. The taxes, there is no doubt, have to be paid to the Town of Faro as a first charge. We cannot operate without them.

We know that the mine is marginal, or touchy at very best, given the low price of lead and zinc. It will continue to be that way as long as the prices stay low. But, only last week, two international suppliers raised the price of zinc by two cents a pound. At times like this, when the markets are low, we know that there will be problems and there will probably be, to some extent, delays in making some of those payments.

I am confident that the interest is going to be paid on those loans. I am confident that the capital is going to be repaid as well. We do not perceive, in our party, problems in the mortgage documents the way the Leader of the Official Opposition is quoting. Although I am not a lawyer, as the other three-fifteenths of the elected Members voting today have some knowledge of the law, I certainly have experience enough with mortgage documents and the payment of same.

Although the Leader of the Official Opposition seems to feel that he has a problem, or that particular party has a problem, with the way the documents are made up, are registered and are carried through, we do not perceive that to be as critical or as heart-rending as he does.

We are not in favour of the motion as it is registered today. We will be voting against this motion.

**Mr. Brewster:** I express my deep concern and amazement that the government appears to me to have not protected the taxpayers of the Yukon. I also believe very firmly in private development. When the government starts to prop up large companies, I have to question when we call a halt and say enough is enough.

During the debate on this subject, it was quite apparent that the government would do anything to get this mine going, including signing a very strange unusual mortgage, which is not like ordinary people would sign in a mortgage for their homes. I urge everyone in this House to support this motion, not only because it will be fairer to the Yukon taxpayers but it will indicate that this House has said enough is enough.

I would like to inform the Member for Faro that I have had conversations today with people from Faro and they are saying enough is enough.

<sup>21</sup> **Mr. Nordling:** I am supporting this motion for a very simple reason. If we have made an agreement, and if the terms are clear and understood by all parties, then the whole agreement should be committed to writing at the earliest possible date. In this way there are no misunderstandings. If we are to be secured by way of a mortgage, then it should be a clear and proper mortgage. If we are not to be secured by a mortgage, but only by a promise to pay if funds happen to be available, then that should be made clear. My understanding, from the comments of the government, is that the Yukon government was to have security for a \$3.4 million loan to Curragh by way of a mortgage.

I am not clear as to whether or not, by agreement, the Yukon government wants to forgive all interest on the loan if money does not happen to be available in any given year. I believe, as stated in the motion, that the interest should accrue and be payable and that the mortgage should clearly state that provision.

I do not disagree with the Minister of Justice that the mortgage complies with the *Land Titles Act*. In fact, I believe the mortgage does meet with the bare minimum required under that act. However I do disagree that the repayment clause is as clear as it can be, even in a legal sense. The present mortgage may be fine if absolutely nothing goes wrong and there are absolutely no disagreements between the parties. However, if there are any questions of interpretation or disputes, all the protection lies with Curragh while the government has none.

The government owes it to the people of the Yukon to clean up the terms of this mortgage to clearly reflect the government's position and to protect that position. If, as the Minister of Justice has said, the government has taken steps to do this then I am satisfied. It would have been more logical to do this between November 22, 1985 and February 13, 1986, when the mortgage was registered.

**Mrs. Firth:** I rise to support the motion on behalf of the constituents whom I represent. I am concerned that adequate protection for the Yukon taxpayer has not been provided through this mortgage and because of the concern we have brought forward a legislative motion recommending a solution to that problem or concern.

We are not being unreasonable and not asking for anything out of the ordinary. We are asking that amendments be made to afford the protection to Yukoners that we feel are fair and adequate. I would encourage all Members of the Legislative Assembly, although I know they will not support it, to reconsider and support this motion, because it is only in the best interest of the Yukon taxpayer that it has been brought forward.

**Mr. Lang:** I rise to speak from a number of points of view. The intent of the motion is to look at a number of serious deficiencies as far as one particular aspect of the arrangement negotiated thus far for the purpose of the opening of Cyprus Anvil, which is now the Curragh Resources mine.

<sup>22</sup> In deference to the Members opposite, I think they have acted in good faith with all good intentions. I do not question that at all. I know a lot of time and a lot of effort has gone into it. These things do not come easy. There is a give and a take.

There are a number of areas that are causing me and a lot of people in the public some concern. Just exactly what commitment did we make as a government? We are finding, as we sit longer in this session, more and more things as to what commitments the government has made, either knowingly or unknowingly, on behalf of the territory.

For example, the Carcross-Skagway Road opening we now find is going to cost an extra \$1 million, rightly or wrongly, to what was presented in the 10-year agreement last fall, with the Americans taking over their side as opposed to us providing that service. It was indicated to us that that was the position of the government, and we supported it at that time.

There are other areas of that particular agreement that, when we get into the O&M Mains, I think we are going to find will come forward. Hopefully not, but I think that there are a number of questions that we have. I think we are going to find that there are other financial commitments that we were unaware of. If we were unaware of them, then the public was unaware of them.

I take a look at the question of the NCPC generator. I gather \$7 million has been paid for a generator that it is said to be worth \$1.2 million. If that is the case, then there were some monies transferred there, or paid out, that should not have been. That is something for another debate.

This is further federal or territorial tax dollars. It is another financial commitment to getting what we see as a basis of our economy going. That has come out in the last little while, as far as the overall federal-territorial arrangement, not blaming one side nor the other.

Now we have the question of the mortgage. I confess to the Minister of Justice that I am not a lawyer. I kind of resent the inference that if I am not a lawyer I cannot understand this, as if they were the chosen few amongst society who can walk around and interpret these things on my behalf, or the Government Leader's behalf, or the Minister of Community Services' behalf. I can read. People in my riding can read. I would love to have a mortgage like this. That is not a lawyer talking; that is a guy who owns a house talking.

When I take a look at what has been said, as far as the mortgage is concerned — he talks about the *Land Titles Act*, and he says look at the forms — he knows full well, the Minister of Justice forgets to tell us, that it has to follow a prescribed form to be registered, or it is unregistrable. That is the law.

The point is: what is in the mortgage? I am referring back to the *Hansard* of last October. We were told there was a second mortgage of \$3.4 million. We were told there was going to be a two year deferral of interest. Fine. No problem. We understood that that was part of the arrangement.

Now we are given a document that does two things. First of all it should be pointed out that, in Schedule II of this particular document, "...interest on the second mortgage to be at the rate of 10 percent," — we were notified that it would be at 10 percent, that is fine — "per annum, calculated semi-annually," — that is fine also, but then there is another interesting clause in here — "and will be non-cumulative as between years."

<sup>23</sup> If anybody in this House has a house mortgage or any mortgage with that particular term in it, I would like to hear how they got it. I will tell you, that is a nice term to have.

Perhaps those terms had not been negotiated at that time. All of a sudden we find out that there is another area where there is a significant contribution that is over and above what we were told in the House. Perhaps that came in the interim, between when we closed the House down last and we are meeting now, but that is a nice section to have in a mortgage.

The other key factor in the mortgage that I find interesting, and I speak once again as a layman not one of the chosen few, is that it will be based on the available cash flow of the real estate operation. I would like to speak from 39 Cedar Crescent's point of view and anybody in Porter Creek East, who would love to have that section in their mortgage where they pay only if the cash is available.

That, in itself, is a question mark. In this document that I have, there is no procedure of how we check what cash is available. Maybe no one on the other side thought of that. I think that someone should start thinking about that. How do we expect to see how much money has been generated? How do we check that out?

The other point is property taxes. The Minister of Justice talked about municipal law. I am familiar with municipal law. I am familiar with the fact that there are two sure things in life, taxes and death. We have a mortgage before us that says that the rents and sale proceeds realized by this corporation from the properties, net of the amounts referred to in 5(a), will be allocated to, thirdly, property taxes.

I am told that it does not really matter, because municipal law will prevail. Why is it in here if it does not have any legal effect? This is a publicly-registered document. This is a valid question.

Why would this be put in if it did not have any legal significance? It puts us behind the indebtedness to the Toronto Dominion Bank on the first mortgage.

I will defend the Minister of Justice on the second mortgage and the payment on the interest coming after the first mortgage. That is common mortgage procedure. I think it is unorthodox to see that, as far as the schedule to pay is concerned, property taxes are fourth. Administration and commission fees even go ahead of that.

We are talking about a substantial amount of money, a substantial commitment by all parties. I find it difficult to believe that the lawyers in Toronto drew this up, according to the Minister of Justice, with the intention that the municipal taxes were going to be paid firstly to the people of Faro to provide ongoing services. It was done for a purpose. It seems that it would be wise and judicial not to have a section of that kind in the mortgage if, accepting the principle and the concept brought forward by the Minister of Justice, municipal tax law is going to prevail in any event.

<sup>24</sup> The other point I want to emphasize is the ability for us, as the government, the lender, to be able to see how much money is being generated. I do not see any method or built-in protection in this document, or in any other document to my knowledge, that will ensure that we get paid, if we do accept the principles in here. I apologize to the Minister of Justice; I am not a lawyer, but I think it is a valid point. How do we check? How do we make sure, after everybody has taken their cut of the cake, that the Yukon taxpayer is going to get his fair share.

This motion was brought forward to ensure that the public interest is adequately protected. I was impressed that the Minister of Justice, after this motion came forward, was able to inform the House he had negotiated the caveats that were included in this particular motion, but he cannot bring them forward at this time, even though this document was negotiated, I understand, in November, registered in February, and now we are past mid-April.

There is good reason for the opposition to raise these questions, because at least we are getting something done that might not have been done had we not taken the interest to delve into the public documentation to see what was on file, and what our protections were.

I have to confess, I am confused. On one hand, the Minister of Justice says that this mortgage is not for our protection but, at the same time, if I recall correctly, last fall the Government Leader said the second mortgage was our protection for the \$3.4 million that we voted in this House. My concern is the inconsistency of the answers to our questions about built-in protections, premised on the basic principle that this mine is going to go and things are going to work out in everybody's best interests.

I know the Government Leader is going to argue that if it does not go we lose everything in any event. I am not going to argue that. There are political, financial commitments being made, predicated on certain assumptions taken in the spirit they have been intended. I defend the government's right to do it, and I defend the Legislature. We are accepting a number of basic assumptions that the mine is going to go ahead. Our concern is that being positive and looking ahead, we do not see built-in protections to the extent that, we feel, they should be there.

Perhaps, behind closed doors, certain concessions had to be given. I do not argue that, but justify why those concessions had to be given, if they were given. The concern is emanating that, at all cost, caution has been thrown to the wind and "We said we would sign anything." That is what we are getting from some quarters. I have defended the government and said that I did not believe that. I believed the government had sat down to negotiate in the best interest of the general public. The government then put their position forward on the floor of this House.

<sup>25</sup> What I find trying is when we bring forward what I believe to be positive alternatives, constructive opinions, constructive motions, saying there are a number of deficiencies, would they negotiate and see what they can bring back to this House, we are told that it has already been done, but they cannot tell us. I cannot accept that. It troubles me a great deal, if I understand the Minister of Justice correctly, that we have given a \$3.4 million mortgage to Curragh, who in turn has turned over that responsibility to a company to

manage on their behalf, and you have concurred with that transaction. That is your right, and I defend your right to do it. At the same time, I, as a member of the public, or any other member of the public, cannot be privy to the general parameters of how our money is protected.

That is not too much to ask when we are talking \$3.4 million. We are talking a lot of money, and a fair commitment by all Members of this House to be able to walk down the street and say, "We did it in full conscience and with full knowledge of what was going on." All of a sudden, we find out we are being asked to approve these dollars with only partial information. If the Members opposite put themselves on this side, they would be very irate if they felt that that was being done to them.

I want to register my concerns, as a duly elected Member of the House in charge of the public purse, about our ability to make arrangements and negotiate deals that it is in everybody's best interest to the best of our ability.

This particular document is a very interesting document. I can say this on behalf of any person in Porter Creek East: they would love to have a mortgage like this. They might not even be lawyers when they said it.

**Hon. Mr. Penikett:** Let me be perfectly clear from the outset. We do not plan to renegotiate the deal to reopen the mine at Faro. That deal has been negotiated. It is, in the main, closed. Negotiating that arrangement once was enough, I think, for everybody who was involved.

Hindsight is very useful. It is good for all of us. It is good for the Legislature to reflect on our experiences, arrangements we have made for the governing of the territory and for the management of our economy, the development of our society, and to conclude that, at some point in the future, we might have done things differently or might have done things better.

I do not think we are in that kind of situation at all at the moment. We do not have the kind of perspective that would allow us to look back on some significant document, the *Magna Carta* for example, and say, well, we could have written this better. We are getting kind of distanced from the Constitution Canada adopted a few years ago. The passions have died. The politicians and the people who were involved might have thought they would have done some things better. Those of us in this House, back in 1978 and 1979, who were urging the government to make sure that we had enough land developed, enough building lots developed for the pipeline, wish we had known what was going to happen to that project.

I think we have learned this much about the Curragh deal: we are not likely to have another one like it. We are not likely to have anything like this come along with the same impact on our economy.

The reopening of this mine was a profoundly important event for the territory. Negotiating the deal was not easy; it was tremendously difficult in many respects. It made enormous demands on the politicians and the officials who were involved. I do not suppose any of us, who have been intimately acquainted with the project, will probably really breathe a sigh of relief until we see the ore trucks moving down that road a few months from now.

I have to emphasize something that I think is important for all of us as legislators to remember. We are not here in our professional capacities. I am not a lawyer; I am not an accountant; I almost certainly would not be here if I were.

Our roles are roles of politicians. Our job is to make decisions. We have a role as legislators to legislate. As politicians, we made certain big decisions about putting this project together very, very early. We made certain broad proposals at the Cabinet level, very, very early, and those were communicated to the federal government and the federal Cabinet.

A lot of energy and a lot of effort went into negotiating those principles. In the main, the deal at the end, in terms of total dollars involved, in terms of total public commitment from this government, was very close to our original proposal. I do not intend to get into the particulars, because changes were made from the outset to the end in the financial package, the transportation situation, the housing situation.

The housing package, I say with respect to the Member for Porter Creek East, is not for a mortgage on 39 Cedar Crescent or 7 Sunset Drive North. It is an element in a much larger and more complicated set of arrangements, and is inextricably linked to those other arrangements.

The Member for Porter Creek East is quite right. The real risk for the territory is not with respect to some minor detail. The real risk to the territory is, because of world metal prices, some other situation that we cannot now see, as clear sighted as we would want to be. If the mine fails, Mr. Speaker, we will be out all of the investment that we have put into it.

The houses in Faro will not be worth a thing unless, in the meantime, some other property comes along, or some other effort to diversify the town takes effect. As politicians, not as lawyers or accountants, we made a judgement early on about the potential benefits and the costs that we were prepared to endure in order to achieve those benefits. We took a calculated risk. We had third-party assessments about our risks. We made a judgement as politicians, not as accountants or lawyers. We made a judgement, as politicians, that the benefits to the Yukon Territory, the thousand jobs, the business opportunities, the exports, the other economic activity that this mine reopening would stimulate, were worth the investment that we were prepared to make. In rough terms, we decided very early what we were prepared to invest, and decided what the ceilings would be above which we would not go.

As politicians, it was then our job to put to work the accountants and lawyers and other professionals who would be required to put this deal together in all its infinite detail. We did have occasion to use private sector lawyers. We did have occasion to use private sector accountants. We had occasion to talk to private sector engineers. In the main, the officials responsible for assembling the infinite details of this deal were the public servants of this jurisdiction: senior officials in economic development, in finance, in community and transportation services, and so on. Those officials did trojan service. They did first class work. And, nothing the Members on the other side have said today, or nothing the Members have said in every other effort to cast doubts upon these arrangements, to raise fear in people's hearts, to raise alarmist sentiments in the community, after the fact, will sully the work of those officials, which was dedicated, diligent, and effective. Not only do those people work very hard under our instructions, but I think they worked successfully. They worked dozens and dozens of hours of overtime. They made many, many efforts over and above the call of duty, not for the sake of their own careers. Not for the sake of their pocketbooks, but for the sake of the people of the Yukon Territory.

Members may as well know that the particulars in terms of the housing element of the deal went through a number of evolutionary changes from the concepts that we originally developed. They went through those changes as a result of some very tough and very difficult negotiations. These negotiations involved not only us, but federal authorities, the banks, CMHC, the mining company, and Dome Petroleum, who was selling it.

The Minister of Justice has explained certain facts about the protections for us. The protections that are normally contained in the kind of second mortgage document referred to by the gentleman across the way are provided for.

They were not provided for because the Members opposite would raise questions. They were contemplated from the beginning, as were all the other concerns that have been raised in this House.

The suggestion that somehow this government did not think about safety is pure piffle. It was the first concern raised about transportation agreement, and it is embodied in all our communication and documents on that subject.

To suggest somehow that we were not concerned about local hire and local business opportunities is nonsense as well. From the very first conversation between the leader of this government and the head of Curragh Resources, that was explained to be our bottom line. We did not need to hear from the Members opposite. We share their concerns. But, the concerns did not originate with them.

The taxpayers' best interests, we believe, are served by the mine opening and staying opened. Under extremely difficult circumst-

ances, at the bottom of the world market, with impossible deadlines, with a new government, in extremely complicated national situations where there were many — as Members of this House know — opponents to this deal from rival mining companies, a deal was put together.

Sometime in the future all of us may have the leisure to reflect on whether or not every particular of the deal was for the best. It is in the nature of negotiations, and it is particularly in the nature of successful negotiations — those that produce a result, not those that end in limbo or in dissatisfaction — that there is some give and take and there is some malleability in terms of particulars.

These arrangements were successful. The mine is going to open. The ore is going to flow down the road. Employees are going to live in those houses and if that all happens and the world metal prices do not deteriorate drastically further, the best interests of the Yukon taxpayer, the residents and workers of Faro and the people of this territory will have been served by the deal that was put together by this government, the federal government and the other parties, and we stand by it.

*Applause*

**Speaker:** The hon. Member will close debate if he now speaks. Does any Member wish to be heard?

**Mr. Phelps:** I must say that I am a little taken aback by the position of the government that they are unwilling to amend the mortgage document so that it will have clarity so it will have the necessary clauses that we see as being essential to a simple document. Most mortgages are fairly simple.

I have, in the course of my practice, registered many documents for far greater amounts than \$3.4 million in the Land Registry Office here. In each and every case, those standard kinds of protections were, of course, present.

<sup>29</sup> I am always rather bemused by the smokescreen that my colleague, the Minister of Justice, seems to want to put up in dealing with this very simple matter, really. I am always impressed by the passion of the good Government Leader when he wants to defend something that really is not under scrutiny. We all want to see the mine open and are in favour of that. We are pleased that people worked hard. We would expect no less from our good civil service and are very pleased about that.

Let us have a look at what the Minister of Justice has said, in his attempts at a smokescreen, over the course of the questions and debate today. I would refer to him saying, in Question Period on April 9, at page 243 and 244, that the only reason for this mortgage at all, really, was that the Toronto Dominion Bank wanted it. That is why. It does not name the bank as a party, but that was the only reason. There was no other reason that this government needed a mortgage — heavens no. He told us, in our duty as legislators to protect the public, the security for \$3.4 million of the taxpayers' dollars was to be this mortgage. But they were not really interested in that because if the Toronto Dominion Bank does not want it, why should the lender. So that is on page 243 and 244.

Then we had the spectacle of the Minister of Justice insisting that the real security in all these 800 documents was none of the words, but the relationship with the borrower, mortgagor, Curragh. We heard him say that several times on several days. For example, on page 270 on April 10.

We had the Government Leader himself saying that there was other protection in other documents and these securities would be registered he thought, but I would have to ask the Minister of Justice. I refer to page 269 on April 10. We have the Government Leader and the Minister of Justice saying that the protection was contained in other documents, which they could not reveal because of all the secrecy around this documentation dealing with taxpayers' money.

Then we have a situation where the Minister of Justice stands up today in debate and says that the mortgage is okay, it is a great mortgage; we stand by this document; the words are all very clear and all the necessary clauses affording protection are there. Why? Because it follows the absolute minimum form required to register a document, that is why.

He states that Schedule II is very clear. I think we have pointed this out before, but let me point it out again. One of our main concerns is that some people would read this mortgage, perhaps judges, I do not know, and it would seem that we could have a situation where Curragh was successfully making money, but the taxpayers would not be paid their interest.

<sup>30</sup> That is one interpretation. It is a plausible one. We would not know until a court decision was rendered. I repeat, in all of this, that our simple concern is to try to get this government to afford the best possible protection in the circumstances. In listening to the Government Leader, let us not forget that they are still negotiating the local hire provisions, they are still negotiating the local purchase provisions. We see no reason why the mortgage cannot be beefed up a little bit.

Then, of course, we have the Minister of Justice saying that they are doing that anyway, and they are going to do it anyway, and it has nothing to do with debate in this House. They know what they are doing. Let us hope they are doing it anyway, or will do it somehow, or that we will get better and more adequate protection for the taxpayers. That is really the only reason for us raising this issue today.

The Minister of Justice, if I heard him correctly, said that one of the very complicating factors of this huge deal was that originally there was no intent on the part of Curragh to have an independent company take over control, management or ownership of any of the properties. If that is what he said, I refer this Assembly to the October 28 *Hansard*, and I was, at that time, asking about the mortgage. I got a response from the Government Leader, on the bottom of page 298, "Perhaps Mr. Phelps will not be surprised to note the final details on this have not been determined. What the \$3.4 million represents is an absolute cap on what we will go into, but I will let Mr. Lindsay explain how it will probably work. You will understand that there may be someone else down the road who may buy the houses from Curragh and then manage the properties in terms of selling them to employees. CMHC may become involved in some way..." et cetera.

Obviously at that time, that position was there and it was a position that was in the minds of the Members opposite responsible for the negotiations. It was a thought well expressed and, fortunately, written down in *Hansard*.

It is sometimes frustrating that the people play at politics. It is sometimes frustrating that pride and stubbornness may not allow Members of the other parties in this House to support this motion, which is put forward simply to assist in protecting and ensuring that the best deal possible under the circumstances is finally arrived at.

If we are voted down today, we will not be too down-hearted. We feel that it will be a negative vote, negative in terms of the real interests of the taxpayer of the Yukon. I suppose that those interests do not come first when it comes to saving face.

I just want to conclude by saying that we have talked to people in Faro. There are a lot of people there who are upset with such things as the inadequacy of the second mortgage. I know this to be a fact, but I make one last plea to the Members opposite and the Members on my far left to join with us in this positive motion.

<sup>31</sup> **Speaker:** Are you prepared for the question?

**Some Members:** Division.

**Speaker:** Division has been called.

The Motion reads as follows: It is the opinion of this House that the Minister of Justice should enter into negotiations with Curragh Mining Properties Inc. for the purpose of amending the Mortgage dated the 22nd day of November, A.D. 1985, between Curragh Mining Properties Inc. and the Commissioner of the Yukon Territory and registered in the Land Titles Office the 13th day of February, 1986, as that:

- a) the amended Mortgage will contain all clauses contained in normal mortgages for the protection of the Mortgagee, and
- b) the amended Mortgage will set out in clear language the terms of repayment and among other things will clearly state that property taxes will remain a first charge against the real property against which the Mortgage is filed and that any portion of interest

payable on the Second Mortgage will not be forgiven in the event that the Mortgagor is unable to pay any portion of interest owing in any given year.

Mr. Clerk, would you kindly poll the House please?

**Hon. Mr. Penikett:** Disagree.

**Hon. Mr. McDonald:** Disagree.

**Hon. Mr. Porter:** Disagree.

**Hon. Mrs. Joe:** Disagree.

**Hon. Mr. Kimmerly:** Disagree.

**Mr. Webster:** Disagree.

**Ms. Kassi:** Disagree.

**Mr. Phelps:** Agree.

**Mr. Brewster:** Agree.

**Mr. Nordling:** Agree.

**Mrs. Firth:** Agree.

**Mr. Phillips:** Agree.

**Mr. Coles:** Disagree.

**Mr. McLachlan:** Disagree.

**Clerk:** The results are 5 yea, 9 nay.

*Motion No. 22 negatived*

#### **Motion No. 15**

**Clerk:** Item No. 3, standing in the name of Mr. Brewster.

**Speaker:** Is the hon. Member prepared to deal with Item No. 3?

**Mr. Brewster:** Yes.

**Speaker:** It has been moved by the Member for Kluane that this House recommends that all government highway signs, other than kilometre posts, utilize both miles and kilometres.

<sup>32</sup> **Mr. Brewster:** My motion is straightforward and is not controversial and should be an easy motion for all Members of this House to support. The motion should not upset the Minister for Community Affairs and Transportation Services, nor cause him to flare up or be frustrated. I have been cautioned by my colleagues to change the tone of my voice so I will not upset the Government Leader. I will try my best.

The motion is very important and speaks for itself. I expect to have the full support of the Minister of Tourism as it will be of tremendous benefit to Yukon tourism as well as to the travelling public in general. I have been advised by the Minister's department that there were 469,000 tourists in Yukon last year. This number will undoubtedly grow. There were 64,731 tourists who travelled to see Kluane National Park. It is estimated that 75 percent of the tourists at the park headquarters were Americans. I expect that there will be a similar percentage of the 469,000 people who were Americans as well. My motion would help these people.

Most of them have no idea the distance between gas stations, lodges, nursing stations or the RCMP. Their guide books have both mileages and kilometres, but our highway signs do not. Can we not help these people out as well as a lot of Yukoners and many other Canadians at the same time?

Is the history of the Yukon and the fact that the Yukon communities used to be known by their milepost numbers rather than their names no longer important? Do the Members opposite and to my extreme left buy the bureaucratic argument that such a system would be too complicated or cumbersome. Does Yukon dare to be different from the rest of Canada in this regard? Are we trying to educate the American tourists to use only kilometres as the Minister of Justice is so fond of educating Yukoners? The Americans come here to have a good time and to see our beautiful territory, they do not want to be lectured on the metric system. Let us make them feel welcome, that their business here is appreciated. Let us make them feel at home.

By helping the American tourists we are also helping ourselves. Many Yukoners, and especially those of us whose hair is beginning to thin out on top, would know where the heck we are. I hope you noticed I changed my language as you asked, Mr. Speaker.

It would be of tremendous help to the travelling public, as well, in terms of safety. Perhaps we could encourage our local radio station to give the road reports in both miles and kilometres, so those reports would have some meaning to both tourists and Yukoners. As it now stands, those reports might as well be given in

Greek. I urge my colleague on the Select Committee and the Member for Klondike, who appears to respect Yukon customs and traditions, to support this motion. Do not think metric, think Yukon.

**Mr. Webster:** As you have heard on several occasions in this House in this session and again today, ensuring safety of the travelling public is of the utmost importance. However, in my opinion, what is essential for improved safety on our highways is the elimination of confusion. I believe the introduction of highway signs in both kilometres and miles will only add to confusion and thereby put safety at risk.

It is a well-known fact that the best way to eliminate such confusion is to have just one system, and this is the reason why every province and territory in Canada uses the same, and only one, system. It is uniform throughout the country, and I believe any deviation on the part of Yukon from this uniform system will not be beneficial to the travelling public, especially tourists who travel through the Yukon on their way south from Alaska, through Yukon, first, and then to B.C.

The Member introducing this motion hinted that this measure is for the benefit of American tourists; 75 percent, I believe, is the number he quoted. If that were true, you would think that the associations representative of the industry, the Yukon Visitors Association, the Klondike Visitors Association, would support the introduction of highway signs in both miles and kilometres. However, in speaking with officials of both associations just yesterday, they informed me that this is clearly not their position. <sup>33</sup> I will admit that in the past they have lobbied government to include mileposts at various places on the highway, where, for historic reasons, they were marked as such, but not to introduce dual systems on our highway signs.

I feel fortunate to live in a community that is a destination for tourists. It gives me the opportunity to meet people from around the world and, yes, as the Member for Kluane has correctly stated, many of them are Americans. From conversations with Americans, I have learned that they know Canada is not the United States, and they expect things to be different here. They accept the differences. They realize that we do not have, for example, Democrats and Republicans, whatever they are. They realize we play a different game of football. They accept these facts, and they have no desire to see us change to conform to their ways. They do not expect for us, for example, to compute, for their benefit, the price for gasoline according to American funds and in terms of US gallons. They do not expect for us to translate for their benefit the Canadianism "eh".

The fact of the matter is, Canada is a foreign country and we do some things differently, like measuring distances. The American tourists recognize this, they accept it, and they adjust accordingly, just as they would in any foreign country. I say, "vive la difference".

**Mr. Coles:** I just rise to make a few points. As the Member for Dawson or Klondike already stated, I, too, have talked to some officials from the KVA and the YVA about this problem. They say they have not had the number of complaints to even suggest a change may be necessary although, as he has stated again, some of the towns and the historical spots in the territory that have been named after miles, when mileposts were used, should still keep the names and even broadcast them if they feel like it.

I do not buy any bureaucratic arguments, as my friend for Kluane said, that we should keep them for one reason or another, or that we should add to them, or anything. The Conservatives talked for the past five weeks about being conservative with taxpayers' money. Let us do that. This is going to be an additional cost. We have already changed the signs three times. I do not know how many more times they are going to be changed. Exactly how much is it going to cost? We do not know. That is what the motion does not say.

If we are going to change the signs and have miles and kilometres, then the liquor store should be selling more American beer; we should be selling gas in gallons as well as litres, to

eliminate all the confusion. We are either going to go the whole mile — speaking for the Member for Kluane — or not go any distance at all. Therefore, we are not going to be supporting this motion.

**Mr. Phelps:** I will speak very briefly on the motion. I feel that the cost of changing some of the more visible signs, showing distances from a given point to various communities, of having them read in both kilometres and mileage, would not be very significant when one considers the principle at stake: the attractiveness of this concept for tourists, and the open rebellion against the imposition of metric on Canadians. I feel that we are independent people, and sometimes the previous Prime Minister did not seem to understand that.

<sup>34</sup> I heard the gallery shouting "vive la difference". It seems to me that sometimes these people ought to echo that great statesman whom they often try to emulate, de Gaulle, when he said "vive la Quebec".

**Mrs. Firth:** I had not intended to speak to this motion, but since we seem to be short one speaker, I would like to make a few brief comments.

**Mr. Phillips:** One short speaker.

**Mrs. Firth:** I hope the records shows who said that. I am fairly surprised to hear the argument that is brought forward, particularly by the Member for Klondike whose riding is very heavily dependent on tourism and really, as they claim, is the heart of the tourism centre in the Yukon. They should be in tune with the tourists and what the tourists want.

As the former Minister of Tourism, I recall the position that the KVA and YVA put forward a couple of years ago. They were in favour of the mileage signs, not the kilometre posts or the mileposts, but the signs indicating how many miles to the next area, being both in kilometres and miles.

We use these two organizations as an advisory body. The makeup of it does change from year to year, or every two years, or whatever. Therefore, one instance can present itself and then you have a conflicting interest the following year or two. The point that is being made is that we are doing this for the benefit of the tourists.

At a time in the whole tourism industry when many other areas, I think just about all areas of Canada, were suffering a decline in American tourism visitation, the Yukon was benefitting in an increase. It has always been my opinion that if you are experiencing an increase in visitation, you should do everything you can to enhance that. This is a suggestion that comes from the Member for Kluane that would indeed enhance that. Americans are not familiar with the metric system, and nor do I think they should have to become familiar with it.

Other countries who are dependent on tourism go out of their way to make it as uncomplicated and as inviting to the tourist as they can. It does not only apply to American tourists. It applies to Canadian tourists who are of the age group that has not adjusted to or become used to the metric system. I know, for myself, I was not educated under the metric system. I do not see myself as an individual who is ready to retire yet, so I know that those who are retiring have been educated fifteen or twenty years before me. They definitely would not be familiar with the metric system either.

The argument of confusion is weak, because that is exactly why the motion has been brought forward, to avoid the confusion. Many times you will see motor homes and vehicles pulled over on the side of the road or stopped at intersections. It is because people, whether they are American tourists or Canadians, are trying to identify how many miles they are going to have to go, which direction they are going in and so on. They have to translate from kilometres into miles.

<sup>35</sup> The speedometers on just about every vehicle are in both kilometres and miles per hour. If that can be accepted by people and utilized and not create confusion, surely a few directional signs on the highway cannot be perceived to be anything other than helpful to the tourists. After all, they are why we are doing this.

**Hon. Mr. McDonald:** I believe the last time a motion of this character came forward, I made the mistake of referring to the proponents, some of whom are in the House now, as being dinosaurs. I remember the tongue-lashing I received from the Member for Kluane for having suggested that we were trying to turn back the clock in some way, and as far back as the dinosaurs. I take the opportunity now to apologize to the forward-thinking Member for Kluane. The reference to association with the grand old dinosaur was meant to incorporate some of the beliefs that may be shared by this side of the House as well, in terms of our love of basic traditions and our love of those things on which we feel comfortable. In the territory today, there are a number of community sectors that count very heavily on tradition. It is important to them, and we respect that.

However, there are, in the matter before us, other considerations to take into account. I will put them as succinctly as I can, and give the Member fairly explicit reasons why the motion cannot be supported by this side of the House.

The Member for Kluane, in the last sitting in the fall, wanted the Government of Yukon to express itself on the issue of mileposts, and wanted the Government of Yukon to erect mileposts along the highway. The Legislature expressed itself on that point. Many of the issues that were relevant to that debate are the main issues today. I would think that they are more relevant today than in the last debate.

The issue of safety that the Member for Riverdale South passed over so very easily is one, perhaps a pivotal one, that is of great concern to us.

<sup>36</sup> To understand the issue of safety we have to understand the principle of highway signage: what is it that we are trying to accomplish when we put a sign on the highway? We are trying to put a sign on the highway to give some information to the travelling public as they speed past, at 90 kilometres per hour. That is the principle. The principle is not to put a complicated message forward. The principle is to put as simple a message forward as possible.

The Member for Riverdale South suggested that because she has seen people stop on the side of the road, she assumed that those people were busy with their calculators to figure out the difference between kilometres and miles. In my 10 years of experience in the territory, I have seen people stop on the highway for a variety of reasons. They stop to check their maps with respect to how many kilometres it is from one point to another. They stop on the highway to have a view of the scenery. They stop on the highway to change a tire. They stop on the highway to rest. They stop on the highway for other reasons as well.

The principle of metric signing has been in place for some time now. The Yukon government was a signatory to a uniform highways code some six years ago. Five of those years were years in which the Conservative government was the government of the day. There was a time when, presumably, the Member for Kluane brought his concerns forward to the Caucus, if he was consistent, and had the idea turned down by the government Caucus, because it was always within the influence of government to provide dual signage, at a cost that is in excess of \$100,000.

We, too, as a government have inherited a uniform safety signage arrangement, nationwide. We, too, have indicated to other jurisdictions our interest in supporting a uniform sign code around the country — for very good reasons.

I touched on the issue of safety as being one of those reasons. The issue of safety is an important one, and cannot be passed off lightly by the Member for Riverdale South. The confusion that could result from the travelling public misinterpreting what 80 means on a highway sign — perhaps they think it means 80 miles per hour rather than 80 kilometres per hour — is an issue that we have to contend with. The highways signage is there for a couple of purposes. It is there to encourage the public to believe that the speed limits are there to ensure the safety of the travelling public. If one were to travel the highway and see a sign that said 80 and misinterpreted that sign to mean 80 miles per hour, you may be placing yourself in a very dangerous position, and the government would be placing itself in a position where they have promoted



confusion, rather than have limited the possibility of confusion.  
<sup>37</sup> That specific example should be enough for many members who are highway travellers to at least show some concern, if not sympathy, for the safety of the travelling public.

The destination signs around the territory are there for a particular purpose. They are there to tell the travelling public how far it is to the next gas station, highway lodge and warmth and comfort. If a person travelling the road were to mistake a kilometre for a mile, then he can now thank the Member for Kluane for having run out of gas.

It is not an operating principle anywhere in the country to encourage dual and confusing signage, nor to encourage provinces and territories to go their own way with respect to this matter.

The Member for Porter Creek West talks about the situation in B.C. That is a very good example of the way provinces in the past have dealt with this situation. When we were discussing this in the last sitting, I suggested to the Member for Kluane that we would be willing to provide more clear signage at border crossings to explain the system. That is the kind of thing the Government of B.C. would like to adopt at border crossings. I understand their system is not complete, but they have turned down any suggestion of dual signing along the highway for safety reasons.

Presumably many people travelling the highway will travel from the northwestern United States through British Columbia. Certainly they will be used to the kilometre signs by then and if they are not they never will be. They will come into Yukon, be faced with a confusing signage system and will have some disconcerting experiences I am sure. So, it is for the reason of safety that every province and territory, including the previous Government of the Yukon Territory for at least five years, did not opt for dual signage.

**Some Member:** (Inaudible)

**Hon. Mr. McDonald:** Is the Member for Hootalinqua suggesting that is not true? Is he suggesting that is not the case?

Clearly, the Yukon was a signatory, in the late 1970s, to an agreement that said they were going to promote uniform signage on the highways.

People come to Canada, and to the Yukon, because they want a new experience. They do not want to come to Whitehorse in order that they might feel like they are at home in Phoenix. They come to Whitehorse to feel comfortable in Whitehorse, in a new environment, with the difference they will experience in Whitehorse. That is our special attraction, our allure. It is because it is a foreign country, with its own traditions, that this territory is such an attractive place to visit.

It is interesting that the State of Alaska, which Yukoners visit, has not decided in favour of dual signage in order to accommodate Canadian tourists.

<sup>38</sup> They too, I would presume, consider safety an important factor and their own traditions an important factor in this debate.

The Canadian traditions are something about which we should feel proud and not embarrassed about. We cannot support the motion because of severe safety implications. The value to tourism is highly debatable. The cost to change signs would be in excess of \$100,000. We do have an agreement that has been in place for many years with all the rest of Canada to keep a uniform signage arrangement across the country.

We have suggested that we would be more than prepared to consider, in the future, clearer signage at the border points with the US. We could identify special tourist attractions around the territory as being located at a particular historic milepost location when the mileposts were originally established. Then we would consider a pamphlet to encourage American tourists to understand and come to terms with the difference associated with coming to a foreign country. The differences would include not only highway signage, but all the traditions associated with the different country and the different territory.

For those very sound reasons, which the Conservative opposition makes light off, we cannot support this motion.

**Speaker:** The hon. Member will close debate if he speaks now. Does any other Member wish to be heard?

**Mr. Brewster:** After this debate today, I would not even be associated with the Member for Klondike. The Minister for Communications over there talks about a tongue lashing. It is apparent that the tongue lashing did not do him any good because he is still speaking hogwash, plum hogwash right from the very start.

They can also be rest assured on that side of the House that the *Hansard* will be sent to every little lodge along the highway. I noticed we all talk about going to the big organizations that all stay in Whitehorse and Dawson. They do not stay in the little lodges along the road. These are the people who get up at 40 and 50 below zero to help people in the winter. These people do not know what the distances are. I tell you, it is absolutely fantastic. I listened to this hogwash go on an on, and he never said a thing.

I will have to read *Hansard* and then people will write to ask me what that guy said. I would have to say that he did not say anything. It is just a bunch of hogwash that goes on all the time. You take arguments between BC and Alberta when communities are 30 to 40 miles apart. We have stretches of highway that are 150 and 175 miles between gas stations. Sure, "Americans should be smart and learn this just to get through here."

You talked about Canadians going into Alaska and they should do it. Do you know that less than 10 percent of the people who go through the Yukon are Canadians. For your information, one-half of one percent of those are French. We have French interpreters in all the federal buildings at great expense for one-half of one percent, so they can interpret because the French tourists cannot understand.

For our big tourists who spend all the money, no, we cannot bother to put mileposts in.

<sup>39</sup> As I have said, I will certainly make sure that this goes up and down the highway to all the little lodges, and I hope they write back and tell you what they think of this. I brought this in because I was requested by these lodges, and requested by the little associations that are not in the big one, that do not accept the big one and the \$125 fee to join it. They cannot afford that. They are out in little places where they have to work. I will send it back.

You make mention that your maps and all that have kilometres on them. That is right, but they all have miles on them, too, miles in all the big tourist brochures.

In closing, I will not say what I was supposed to say here, because it is not polite, but it is still just hogwash what is going on.

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

**Some Members:** Division.

**Speaker:** Division has been called.

It has been moved by the Member for Kluane: THAT this House recommends that all government highway signs, other than kilometre posts, utilize both miles and kilometres.

Mr. Clerk, would you please poll the House.

**Hon. Mr. Penikett:** Disagree.

**Hon. Mr. McDonald:** Disagree.

**Hon. Mr. Porter:** Disagree.

**Hon. Mrs. Joe:** Disagree.

**Hon. Mr. Kimmerly:** Disagree.

**Mr. Webster:** Disagree.

**Ms. Kassi:** Disagree.

**Mr. Phelps:** Agree.

**Mr. Brewster:** Agree.

**Mr. Nordling:** Agree.

**Mrs. Firth:** Agree.

**Mr. Phillips:** Agree.

**Mr. Coles:** Disagree.

**Mr. McLachlan:** Disagree.

**Clerk:** Mr. Speaker, the results are five yea, nine nay.

*Motion No. 15 negated*

**Motion No. 23**

**Clerk:** Item number 7, standing in the name of Mr. McLachlan.

**Speaker:** Is the hon. Member prepared to deal with item number 7?

**Mr. McLachlan:** Yes, Mr. Speaker.

**Speaker:** It has been moved by the Member for Faro: THAT it is the opinion of this House that the Government of Yukon should use the Yukon Development Corporation to acquire, manage and operate the assets of the Northern Canada Power Commission for the benefit of all Yukoners.

**Mr. McLachlan:** For the last several weeks, we in the Liberal Party have watched the eight wonders of the world, as the extreme left and the extreme right rushed to accomplish the takeover of NCPC. They are agreeing on everything, each for his own fuzzy and gray reasons. How can this be? Given the total lack of details and the conditions for the transfer, one would expect that the official opposition would be hammering away at the government to determine all the facts and preconditions for this federal transfer.

The only time that the Leader of the Official Opposition stood up to congratulate the government was the day that the Ministerial Statement was read on NCPC. Why, we have to ask ourselves? Are we to conclude that the official opposition is already aware of all the facts and preconditions? Do they have access to information sources that all Members in this House are not privy to?

<sup>40</sup> We, in the Liberal Party, take the responsibility to represent the interests of all Yukoners very seriously. That is why we are asking questions and why we will continue to ask questions on this most important matter.

The transfer of NCPC from Ottawa to the Yukon Government has the potential of becoming a watershed landmark in the evolution of the Yukon, and in the devolution of federal power from Ottawa to Whitehorse. We must not lose, or water down, this opportunity by making bad or wrong decisions at this time.

The question of who should operate, manage or control these assets after the transfer is very much on our minds. We note that in several of our larger provinces the government of the day has retained total control of hydro power. A good friend of the Government Leader's in Winnipeg, Howard Something-or-other, has chosen to see fit to do it in exactly that way for the province of Manitoba. He has decreed that hydroelectric developments, Kettle Rapids, Squaw Rapids and the Nelson River, will be the exclusive domain of the provincial government.

They have seen the wisdom of being able to use this most important resource as a public tool for all major social and economic development for the well being and betterment of its people.

Not here. Here, in our wisdom, we are taking the operations from one head office based in Alberta and giving a share of the action to another Alberta-based, but privately run, operation.

So far, no one on either side of the House has offered one tangible, sound reason why we should erode and divide up the potential profit picture of NCPC assets. Yukon Electrical will not be doing it for nothing. After salaries and overhead, there still remains a profit return for the Alberta-based investors and its parent Canadian Utilities, owned by a large family in Toronto.

Let me give you two examples of the type of accounting that is used by that company. First, I wish that I had a suit store in Whitehorse and I knew that to anyone who walked in the door I would have a sale without having any suits on the rack. That is the case with Yukon Electrical. It has the only private company in Whitehorse with no retail stock for sale.

Second, the purchase power, the lack of the absence of retail stock, is a fundamental flaw in the method by which they calculate their costs. The approximate five-and-one-half cents per kilowatt-hour that they buy power for at the transmission point, which, when added to the approximate one-and-one-half cents they use for O&M and distribution within the City of Whitehorse, is the figure on which they ask the Yukon Electrical Public Utilities Board to approve their mark-up.

The five-and-half cents they purchase power at is not their cost. That is Canada's costs. All the taxpayers of the country and of the Yukon have contributed toward paying for that cost at the point at which the transmission power is measured.

If, today, this government opens the door, even a little bit more, for multi-nationals, what about tomorrow? Tomorrow, under a different government, there might be a temptation, having already given the sink, to supply them with the plumbing. These questions

we must ask and ask them we shall.

<sup>41</sup> Many, many times over those years, I heard the present Government Leader pontificate about the sad state of affairs where multi-nationals get all the gravy and Yukoners get the large hole in the ground.

When we have a chance to do something about it, we simply enlarge the hole. At the very least, he may be selecting and preparing a site for a possible hole that can only be interpreted as a convenient burial site.

Let me quote the Government Leader's thoughts on this topic in reference to open pit mining, for example. This is the gentleman who, when he was in opposition, said, "The jobs go to Alberta or B.C. The profits go to Toronto, New York and Tokyo. What we get stuck with is the hole in the ground". We believe that when he has a chance to seize upon a significant asset — and we must admit that the development of the fourth wheel is a significant asset and the latest in technology, that is if you are to believe the remarks that the Minister of Community and Transportation Services said at the opening of the fourth wheel last July — and he then takes it and gives away a large proportion of the profits from the new operation and sends them down the Alaska Highway to Edmonton. That is not Toronto, New York or Tokyo, but the effect is the same. Edmonton is just as convenient as the other three cities if you are going to have someone pick the pockets of Yukoners.

I have asked myself many times what could be the reason for the Government Leader's turnaround and change of his well-enumerated philosophy. Two thoughts come to mind. In the first, he may see this as his opportunity to convince those who are watching that he is all for free enterprise and not really the big bad socialist that the so called Official Opposition would paint him. If this is the reason, then I have good news for him. Both private enterprise and public alike will applaud him for retaining full control of this valuable resource.

Lest it be said that the Liberal Party is against free enterprise, let me qualify it. Private enterprise and free enterprise is when the Minister for Government Services and I are on opposite sides of the street, each selling the same project, be that gasoline, suits, chocolate bars or books. There is no private enterprise or free enterprise system existing in the territory for the distribution of power. There is one enterprise system. Even the municipalities, as yet, cannot get into the act.

My second thought was that perhaps the Government Leader does not have any real say in the matter. If there were preconditions from the federal government that he had to live with, then that would be another matter. It would not be uncommon, in a transaction as large of this, for there not to be a number of external pressures. In any event, the lack of available information only lends itself to doubt and uncertainty.

The unanswered questions abound. How much debt load is being transferred? This is the key to the whole situation. The betting on the street is that maybe one-third or one-half of it will be transferred. If it is one-third of it, we get an Aishihik for free. If it is one-half of it, we get a fourth wheel for free. Who would not take those under the circumstances as a good deal. But, the Government Leader has an obligation to tell the territory, if he is going to give away the store, or some portion of it, how much it is going to cost the average taxpayer of the Yukon to have big daddy look after the operation — a big daddy who, at the moment, has no experience with any hydroelectric generation.

<sup>42</sup> That is like letting the little guy who runs the still in the back woods tell the distiller, Seagram's, how to run its operation. It is clearly a case of the tail wagging the puppy dog.

This is the type of advertisement that should be directed to the Public Service Commissioner: "Senior executive of BC Hydro, 23 years in varied experience in power generation and distribution, wishes to make a career change and move up the corporate ladder, willing to relocate anywhere in Canada, no job too challenging."

Unfortunately, the Public Service Commissioner does not make these kinds of decisions, but he certainly should know that such talent exists, if only we could get reconciled and have his boss make the right decision.

With this kind of talent out there we do not need the private



enterprise factor out there to run the show. With the kind of debt reduction that is being talked about out there, my grandmother could run the hydroelectric operation and make some money. My great-grandmother could too, and she is deceased.

In a moment of weakness, I might even let the Leader of the Official Opposition have a crack at it. He could probably make a dollar or two with all the hydroelectric generation in that family, or maybe a million, or two or three. But what is an extra million on the backs of Yukoners.

The Minister of Government Services has told us he went to a negotiating meeting in Ottawa on November 4, 1985. I respectfully submit to him that there was not much negotiation; it was simply a note-taking exercise on the part of this government. The notes were taken, the instructions were given. The Minister should remember the expression from Shakespeare, "My head is bloody but unbowed." When he returned, his head was bloody, but it was bowed.

The government of the day has acquiesced to federal requests in Ottawa. The Minister informed the Cabinet that this is what they want in Ottawa and this is probably what we are going to have to swallow.

More fundamental to this whole issue, above and beyond who is going to run the operation, is who is going to control the water rights in the Yukon Territory. Short-term management is only part of the pie. Eventually, the sooner the better, the manager would probably want all of the pie. Who amongst the legislators here would really believe that Yukon Electrical's short-term agreement will not eventually become a longer-term agreement of extensive magnitude. It has always been a stated position of the Member of Parliament that this was his designated wish.

We, on this side of the House, supported the development of the Yukon Development Corporation, with the honest, sincere belief that it could be a benefit to the Yukon. What, I submit to the government side, is its use if it is allowed to sit on the shelf and gather dust? It is now a neutered paper tiger, a surrogate mother, created to receive a birth, transmit a birth, and be done with. I submit to the government side that it is the raising of the infant after the birth that must be of concern to all Yukoners.

43 In conclusion, we in the Liberal Party would urge all Members to reconsider their present course. No one can deny that the expertise to run the local operation is available in the territory with some help from the present head office. The only major difference is that on top of the operating costs and under the proposed arrangements, the government will also have to pay out and contribute to the profit picture of a company outside the Yukon.

**Hon. Mr. Kimmerly:** I have heard the Member for Faro give a good speech, but that was not it.

The Member asks for one sound reason why we were negotiating with, or making an arrangement with, a private-sector manager. Not the most important reason, but one, is that it was recommended by Mr. Penner, a federal Liberal MP, who, I believe is going to speak at the Liberal convention coming up. I would strongly advise the Member for Faro to speak to Mr. Penner about power because he might learn something.

The previous Legislature, the 25th Legislature, unanimously adopted the recommendations of the Penner Report. The Penner Report clearly and forcefully said the following, "that the least costly organizational option for future Yukon power services was a territorial Crown corporation managed by the local private utility." That is the federal Liberal position.

Mr. Penner also said that integrated management of all Yukon power utility activities was highly desirable to achieve cost savings and efficiencies. Further he said that private sector contract management offers a major additional benefit because these utilities can tap into the management and technical skills of their parent companies.

We agree with that. On behalf of the Yukon ratepayers, we do not want our power generation managed by the Member for Faro's mother or grandmother, as he suggested.

It is interesting that in the province of Prince Edward Island, which is substantially larger than Yukon in terms of population,

between four and five times, they have achieved the same arrangement as we are proposing. That is the closest analogy that is possible in the Canadian experience.

44 They have, for the purpose of cost saving and enhanced quality of services, engaged in a management contract with the private sector.

Other reasons are as follows: — they are partially repetitious, but the most important reason of all is succinctly stated that the power business is essentially about two things; it is about generation and it is about distribution.

If we can consolidate and coordinate the management of the generation and the distribution, substantial cost-savings and efficiencies occur. It is not cost-effective to have Yukon power consumers paying for separate managements for the power generation and the power distribution. That is commonsense.

Secondly, it is highly desirable to have the skills and the experience of a larger organization available to us. The Yukon Electrical Company can provide that.

It is interesting that the government, when we called for proposals from private sector and public sector power companies, we received interesting information from the public sector companies. One of them, in their response to us, said, right up front, that they could not be competitive with Yukon Electrical and advised us to do business with Yukon Electric.

Much has been made about the issue of control, and something in the media about the lack of information. It is the desire, the ardent wish of the government, to impart to Members and the public as much information as is reasonably possible. I have had prepared, and I will table now, a summary of the letter of understanding between YTG and Yukon Electrical.

45 It is a document that is purposely written in general terms, and it includes all of the points covered in the letter of understanding, but not all of the detail. The detail is not released now for the reasons already stated in Question Period. They primarily relate to the smooth transition of the employees from one manager to the next.

We are particularly interested in the smooth transition for the employees, and we are particularly interested in acquiring the professional expertise of YECL to assist us.

You will note, and I would quote from the top of page 3, "It is contemplated that YECL will be a manager", a general manager, if you will, "of the power generation function, but the operation will be subject to the policies and directions from the Yukon Development Corporation's Board of Directors." The control will be with the Board of Directors of the Yukon Development Corporation. The policy will be formulated there. Yukon Electrical will follow the instructions in the policy that is formulated by the Yukoners who are selected as directors of that development corporation.

You will note that there is no fixed term, or a clause of being locked in. The term of the management agreement, as is normal with management agreements, will be set from time to time, with the possibility of renewal. There will clearly be a termination clause to terminate the agreement if either party is unsatisfied. That occurs in all management contracts of this kind, and we are contemplating exactly that. We are contemplating a fixed, detailed management contract that has not been entered into now. It is being negotiated, and it will take effect practically on the transfer of the assets, when that occurs.

Because of the wording of the motion, we have no problem in supporting it. The motion simply says that the Yukon Development Corporation should acquire, manage and operate NCPC, and that is exactly what they will do.

46 The meaning of the Member opposite is obviously that we should have not have truck or trade with the private sector about this; that is not the government policy. The motion actually does not say that, although his speech did. The wording of the motion is quite acceptable to us. I should be clear that the motion asks the development corporation to manage and operate the assets of NCPC. It will do exactly that, and it will do that by contracting with Yukon Electrical for management services.

**Mr. Phelps:** For once in the course of the past nine months, I was rather enjoying my friend opposite's speech until he ruined it all in the last couple of minutes. He destroyed the whole feeling of

euphoria that was sneaking over my weary bones.

There are a couple of points I would like to make. First, it is almost amusing to hear the Member for Faro criticizing us for not being an opposition, for not opposing, that we have not been effective critics. I do not think that is the public perception and certainly is not the perception of most people I talk to. We draw quite a distinction between what is occurring with regard to the NCPC issue and Cyprus Anvil. There are a number of distinctions that can be made.

First of all with Cyprus Anvil, we saw some of the documentation; we saw what the deal was in principle last October, and we supported, in principle, what was negotiated and proposed at that time. We had reservations; we clearly outlined them, and we have been following through trying to ensure that what we see as mistakes are corrected. That really is our role as a constructive, positive opposition. We have not heard that kind of constructive opposition coming from the Liberals. We did not expect it, and I do not think the public expects it either.

With regard to the NCPC transfer, I would remind the Members of this House that we negotiated with the federal government with regard to an agreement-in-principle to devolve NCPC north, that an announcement was made about a little over a year ago in April. A news release was issued by the Minister of Northern Affairs with regard to the general intention of devolving NCPC North to the territories. It was a broadly-worded principle and left scope, if the territorial governments were not interested, for private entrepreneurs to make the bid.

<sup>47</sup> At that time we had certain preferences as to the model that might be used and the basic methodology to be utilized. We found what we thought was an excellent consulting company from Winnipeg. We had initial meetings and started setting up a process. It was only in the formative stages, but we were very pleased with the expertise that that consulting group brought.

We were pleased to see that the present government has carried on using the same experts and are moving in a direction that, philosophically, was one that we believed in a year ago. There is no question that a lot of work has been done. I am sure that we will be wanting to examine the details of what is done but, in principle, I think thus far from everything that we have seen to date, philosophically, we support the actions of the government.

Again, just as in October, we expressed reservations about certain issues and areas that we raised back in October about the Cyprus Anvil package. We make those same reservations now, and we will have more to say as the deal progresses, and we see more and more of the backup material and the principles of negotiation.

It is rather paradoxical that, as pointed out by the Minister of Justice, I am almost overwhelmed that we are on the same side of the fence on this one, the Liberal Caucus would go against the Penner Report. We find it rather interesting that, back when the present Senator for Yukon was the Mayor of Whitehorse, the YECL franchise was up for negotiation with the city, there was a prolonged situation and with the encouragement of NCPC at the time expressed in those words, the City of Whitehorse proposed to take over the distribution assets of YECL.

There were a fair number of negotiations back in the 1970s and a fair amount of debate in the public forums and in the media. Finally, that transaction was put to a plebiscite for the people of this part of the Yukon, at least, to vote on, the people who had experience with the operation of YECL for many years.

The result of the vote was rather interesting, because if I recall correctly, more than 80 percent voted against the very thing that the Member for Faro seems to be promoting. The people felt well-served by the very efficient operations of the company involved. I think that that sentiment remains in this area.

<sup>48</sup> The area of concern raised by the Member opposite really comes from his interpretation of the motion itself. I do not think that we can agree with the motion as it presently reads. The reason is that we would like to see this government having the flexibility to trade off assets with the private sector, to have the private sector own and operate, in some cases, the present retail assets. It may even make sense to swap some assets in pursuing that goal. It may involve a fair amount of negotiation, which would involve transferring some

assets at the retail level from NCPC to the operating company, in return for wholesale assets. There are numerous models and solutions that could be found.

In the interests of flexibility, I would urge the Members opposite to take that to heart, that they do not find themselves bound in some way from being flexible as negotiations proceed, by being cute and supporting this motion because of the fact that it does not convey the intent as expressed by the Member for Faro.

We will be voting against the motion. We would urge the side opposite to vote against it as well.

**Hon. Mr. Penikett:** I was going to speak, but I think that all that needs to be said has been said. I appreciate the Member for Faro quoting me with respect to the ownership and control of northern resources. I am surprised he is so vitriolic when it comes to multi-nationals. That is not a position I associated with the Liberal Party, especially since there is a multi-national that is a significant investor in the reopening of the mine at Faro and the Town of Faro.

The Member for Faro also referred to seizing assets. We are not seizing assets. We were not talking about a pitch; we are not talking about some kind of coup. We are talking about a situation where we move control of the federal Crown corporation to the Yukon, to put it under public ownership and control. As a purely practical matter, we are proposing to choose a manager who happens to have some experience in this market, is an experienced utility. We believe that, in the best interests of the public who will own the asset, this is a sensible and appropriate arrangement; therefore, I suggest you call the question.

<sup>49</sup> **Speaker:** The hon. Member will close debate if he now speaks. Does any Member wish to be heard?

**Mr. McLachlan:** I have made a few notes that the Members opposite and on this side have referred to. I repeat: we are still looking for the original documents that Yukon Electric has proposed to the Government of the Yukon. The Minister for Government Services is remaining consistent in his intransigence and refusal to produce those documents and instead has hoped to weather the storms by producing a government summary of the proposals, but still holds steadfast on refusals to produce the pertinent documents as asked for.

We still find it ironic that the government of the Yukon is taking direction from the private sector and I would ask the Minister for Government Services, what board of directors? The Government Leader has failed to name the chairman of the development corporation, failed to name directors, failed in any way other way except in a make-work exercise for the lawyers in the Department of Justice to do anything but write the legislation regarding YDC.

Any time the Minister of Justice and the Leader of the Official Opposition agree, two well-heeled lawyers who could debate mortgage topics for hours in this Legislative Assembly, we get a little bit suspicious. I would think that it is very scary for the Minister of Justice to have the Leader of the Opposition philosophically agree with him.

With respect to the Leader of the Official Opposition's comments about YECL distributing power locally, we are not against the company distributing power within the City of Whitehorse. We are just against them trying to manage the operations of something they have never managed before. Who amongst you would go out and hire an inexperienced manager to run your business operation? The Minister of Government Services has failed, or conveniently overlooked the mandate of its counterparts, the NDP government of Manitoba, who have said publicly that the private sector will not develop and control power in that province. The same thing under the NDP government happened in Saskatchewan when Sask Power was created.

In conclusion I would like to say that we in this party still take our responsibilities seriously to represent the interests of Yukoners in this issue. We will continue to press for the answers on the transfer. We will continue to hold the interests of Yukoners in the transfer of the power operations to our hearts. We wish to reiterate

again that the fundamental management of the water resources and the control of those assets is at stake in the future development of the territory. History is at the doorstep of the Yukon in the transfer of this first big step from the federal government in Ottawa. We must not continue to lose sight of that and make the wrong decisions in this matter.

<sup>50</sup> **Speaker:** Are you ready for the motion?

**Some Members:** Division.

**Speaker:** Division has been called.

It has been moved by the Member for Faro: "THAT it is the opinion of this House that the Government of Yukon should use the Yukon Development Corporation to acquire, manage and operate the assets of the Northern Canada Power Commission for the benefit of all Yukoners."

Mr. Clerk, would you kindly poll the House.

**Hon. Mr. Penikett:** Agree

**Hon. Mr. McDonald:** Agree

**Hon. Mr. Porter:** Agree

**Hon. Mrs. Joe:** Agree

**Hon. Mr. Kimmerly:** Agree

**Mr. Webster:** Agree

**Ms. Kass:** Agree

**Mr. Phelps:** Disagree

**Mr. Brewster:** Disagree

**Mr. Nordling:** Disagree

**Mrs. Firth:** Disagree

**Mr. Phillips:** Disagree

**Mr. Coles:** Agree

**Mr. McLachlan:** Agree

**Clerk:** Mr. Speaker, the results are nine yea, five nay.

*Motion No. 23 agreed to*

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

**Speaker:** Is the hon. Member prepared to proceed with item No. 2?

**Mr. Brewster:** Next sitting day, Mr. Speaker.

**Speaker:** So ordered.

**Clerk:** Item No. 5, standing in the name of Mr. Lang.

**Speaker:** Is the Member prepared to proceed with item No. 5?

**Mr. Phelps:** Next sitting day, Mr. Speaker.

**Speaker:** So ordered.

**Clerk:** Item No. 1, standing in the name of Mr. Phelps.

**Speaker:** Is the Member prepared to proceed with item No. 1?

**Mr. Phelps:** Next sitting day, Mr. Speaker.

**Speaker:** So ordered.

**Clerk:** Item No. 4, standing in the name of Mr. Phelps.

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

**Mr. Phelps:** Next sitting day, Mr. Speaker.

**Speaker:** So ordered.

## MOTIONS RESPECTING COMMITTEE REPORTS

**Clerk:** Item No. 1, standing in the name of Mr. Phelps.

**Speaker:** Is the hon. Member prepared to proceed with item number 1?

**Mr. Phelps:** Next sitting day, Mr. Speaker.

**Speaker:** So ordered.

**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. Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

*Motion agreed to*

*Speaker leaves the Chair*

## COMMITTEE OF THE WHOLE

**Chairman:** Committee of the Whole will now come to order. Is it the wish of the Members to continue debate, or to recess until 7:30 p.m.?

**Hon. Mr. Porter:** I move that the House do recess until 7:30 p.m.

*Motion agreed to*

**Chairman:** We will now recess until 7:30 p.m.

*Recess*

**Speaker:** I will now call the Committee of the Whole back to order.

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

**Hon. Mrs. Joe:** I have some information that was asked of me yesterday. The Member asked about the cost of the Job Evaluation Study. It was \$101,000. There was money that we had in the department to accommodate that.

The Order-In-Council implementing the increase in the Pioneer Utility Grant was approved in the 1985-86 Main Estimates on November 12. Approximately 300 Yukoners benefited from that program.

The Member for Riverdale South asked about the reality therapy training. That included three staff training sessions that were held between September and February involving a total of 64 participants. Participants included 13 social work staff from Whitehorse and seven from rural offices, eight Receiving Home staff including one rural representative, 12 staff from Alcohol and Drug Services, Detox Centre and Crossroads, 11 youth workers, two adult probation staff, seven vocational rehabilitation workers, 2 Yukon College counselling staff and two workers from the Department of Justice.

Reality therapy is one of several forms of counselling. It is a very practical, hands-on, here-and-now approach dealing with current reality rather than delving into the past events of a client's life and, as such, is a very useful therapeutic tool. The training can involve up to three levels of instruction and is delivered through a series of lectures and practice sessions by instructors from the Institute for Reality Therapy, which also accredits the program. The program has an excellent reputation and is well known in the social work business. The evaluation reports on the courses completed by participants indicated that the training was meaningful, useful and well received.

<sup>02</sup> **Mrs. Firth:** Does the department do some kind of evaluation, like a program evaluation, on that reality training therapy?

**Hon. Mrs. Joe:** I cannot say for sure that they would, but I would feel that if they had done the training to the extent that they did under this, that there would be an evaluation at the end of the training sessions.

**Mrs. Firth:** The only reason I ask is that I am not familiar with the latest techniques, and obviously there have been a lot of participants in the program. I was just wondering if the department felt they were getting their money's worth from the program, and when the participants of the program were doing their evaluations if the department was taking that into account in being able to justify whether they would put the program on again or whether they would say they do not think they really got maximum benefit from it and are going to consider not providing it again. That is the only reason I am asking the questions.

**Hon. Mrs. Joe:** Yes. We have comments here with respect to the reality therapy program. We have a number of comments that came out of it. They are included in this information I have that is quite lengthy.

**Mrs. Firth:** If the Minister would be prepared to share some of it with me at some time, I would appreciate that. It is only for wanting to know more about the program. If she wants to send it to me in written form, I am quite prepared to dispense with the debate on it and read some notes she could provide me on the program.

**Hon. Mrs. Joe:** I have no problem doing that.

<sup>03</sup> **Mrs. Firth:** Are we still on the line item Community and Family Services?

**Chairman:** Yes.

**Mrs. Firth:** Was it in this area that the decisions regarding the young offenders facilities, the secure and open facilities, were made? Was it in this area that the contracts that I raised questions about in

Question Period today, were discussed and decided, and that the information was used?

**Hon. Mrs. Joe:** That is all included in this section. With regard to 501 Taylor Street, that is under the Capital just below it. All of the things related to the young offenders program, any new initiative, any work that was done with regard to decisions being made, will be made under this program.

**Mrs. Firth:** Could the Minister give us a bit of a description about any major shifts within the Human Resources area, and what that includes?

**Hon. Mrs. Joe:** The Human Resources program includes a number of different activities. Included in the program are geriatrics, rehabilitation, social assistance, and alcohol and drug services to review Yukon's needs. Those kinds of things come under the heading. This includes Macaulay Lodge. There are certain things that are provided for those different activities. With regard to alcohol and drugs, there is always ongoing training in that area. Drug and alcohol services has always continued to offer training to different groups and individuals who want to take advantage of it. After that training is over, they are awarded with a certificate showing that they have taken this training.

There has been a lot of emphasis put into geriatrics and rehabilitation. A lot of planning has gone into the homecare area. We have individuals who have needed that service as of right now. Because the need was so great, we have had to provide for special services to individuals who would have had to go, possibly, to a hospital or another place.

<sup>94</sup> Those kinds of initiatives are included already in the budget that we have before us.

**Mrs. Firth:** Does this include, then, the transition home and any rehabilitation services group homes that the government is contracting with? Does the homecare program for seniors come under this line as well?

**Hon. Mrs. Joe:** Kaushee's Place is included in this budget. We provide funding for that service. Included in this, as well, would be two group homes that we had for the physically disabled. We had two of those. We only have one now. I cannot think of any other ones except for those.

**Mrs. Firth:** That comes under Human Resources, is that correct?

**Hon. Mrs. Joe:** Yes.

**Mrs. Firth:** Are the rehabilitation services that the Minister contracts with the group homes that she was referring to in her explanation?

**Hon. Mrs. Joe:** I was referring to two group homes that were run by, I believe it was, Ivik Enterprises, and we have two group homes that cared for a certain number of individuals who needed that care in those homes.

**Mrs. Firth:** What about the other rehabilitation services that are supported by the government? Are they under the line Human Resources, as well?

**Hon. Mrs. Joe:** Yes, they are. That service is provided under this program.

**Mrs. Firth:** Could the Minister tell us how the social assistance figures are comparing with the predictions that were made? She may not have the actual figures there, but could she give me approximations that they were either over or under, and the approximate amounts?

<sup>95</sup> **Hon. Mrs. Joe:** They were estimated to come in on budget, and they are pretty well on budget right now.

**Mrs. Firth:** Has the Minister, or have any of her officials within the department, made any observations about any decline in the amount of social assistance, or is it the same people coming and reapplying. I am asking questions about it from an economic point of view, trying to get an idea on whether there are more people employed, or fewer requiring social assistance, or, perhaps more are collecting unemployment insurance. I am trying to get some correlation between all of those factors.

**Hon. Mrs. Joe:** We did have a large number of Yukoners who were affected by the recession. A lot of those people were coming to the department for assistance. They were getting it if they were eligible and, of course, most of them were. We have a lot of those

people going back to work. We also have the Yukon Opportunities Program, which is quite successful. They work along with our recipients in trying to find employment or training that can help them to find employment rather than living on social assistance.

**Mrs. Firth:** Those are the comparisons I wanted to make. We have a few employment opportunity programs now, and the Minister of Community and Transportation Services had one, the local employment opportunity program that was put on in all communities. With the other Yukon opportunity program, I wondered if the department had seen any recognizable decline in numbers of recipients of social assistance. Could they base it on the availability of the job creation programs that the government was providing in other areas?

**Hon. Mrs. Joe:** Up until March 11, the YOP had seen 187 clients. Out of those, 71 of them were placed directly or indirectly into training and/or employment.

**Mrs. Firth:** Would that be long-term employment, or would it be a temporary situation where they would just be coming eligible for unemployment insurance again? Can the Minister elaborate a bit?

**Hon. Mrs. Joe:** It just depends on the work that is available and the people who are willing to take advantage of the assistance that they get from here, and the people who are willing to take on those individuals who come to us.

We are looking at training, but training stops at some point in time, and there has to be employment after that. Sometimes it would happen that they would get employment after the training. In a lot of the cases when training is finished, you would get somebody who did not have a job available to them at the time, but might have to wait.

**Mrs. Firth:** Are seniors' services all under this line item?

<sup>96</sup> **Hon. Mrs. Joe:** Yes, they are. That program provides counselling and assessment for seniors. It also provides education, funding for their information centre, services to Macaulay Lodge, community services like the Handi-bus and, of course, also includes the Pioneer Utility Grant and the Yukon Seniors' Income Supplement.

**Mrs. Firth:** There was a geriatric rehabilitation service review done a couple of years ago. Some recommendations were implemented or the seniors requested that they be implemented. Can the Minister make any comments about that review and about the satisfaction of the seniors with the recommendations?

**Hon. Mrs. Joe:** The information that I have right now is that the status of the study raised a number of important issues that have been pursued by the department including coordination and rationalization of chronic disease and disability services, something that will be accomplished in the next budget, hopefully.

It also raised issues of improvement of relations with the Rehabilitation Centre, work to the return on this public investment, services for disabled and the establishment of an independent living program that is already in use. The improvements in the client index system have been planned and will be implemented during the next fiscal year to keep a better record of those individuals whom we are looking after.

**Mrs. Firth:** There were going to be policy and procedure manuals developed for the MacDonald and Macaulay Lodges. Can the Minister say whether or not they have been completed?

**Hon. Mrs. Joe:** They are not completed right now, but they are in progress. I do not have a specific date for the completion of them. I can find that out.

**Mrs. Firth:** Is the Minister's department still having some coordinating function with the Native Alcohol and Drug Addiction Program? Can she give me an updated status of it?

**Hon. Mrs. Joe:** We had an alcohol workshop just this past month. People from that program were at that workshop. It was to go over a lot of the old studies that were done in the past by a number of individuals. A group of individuals and organizations who had worked with alcohol problems for a number of years formed a committee consisting of a number of people from the Salvation Army, the CYI, probation, the city, medical services — a group of people who were already involved with the alcohol program.

<sup>97</sup> It is very important that you get all of these people together to go

over the old studies that had been done to compare them with the type of thing that is happening now. As a result of that workshop, I have received some recommendations, but not a complete report as to how we would go ahead with our alcohol and drug services program and work with other groups as well, including NADAP. It was felt at sometime that there may have been a duplication of services and we did not want to see that happen. We wanted to know of the individuals who were covered under NADAP if it was better for them to work under that program and should our alcohol and drug program cover the other part of Whitehorse. The recommendations will be forthcoming. I cannot see any problem in letting the Member know what some of those recommendations are because I am looking forward to it.

**Mrs. Firth:** I would appreciate that because I have been following that program quite closely. About funding for the rehab services, the Minister has given a commitment to fund up until June of 1986. Has her department made any decisions about extending that?

**Hon. Mrs. Joe:** That is included in next year's budget and I would like to elaborate at that time.

**Mr. Nordling:** How much of the human resources budget of \$6,974,000 is for social assistance?

**Hon. Mrs. Joe:** My figures show that out of the total amount it is \$3,051,000.

**Mrs. Firth:** Health care insurance is not under this. Is it under the line item Health? I will wait until we come to that line.

I wanted to ask where any money came from for the Task Force on Family Violence. Was it out of these top O&M lines we are discussing?

**Hon. Mrs. Joe:** That came under this program, Community and Family Services.

**Mrs. Firth:** Could the Minister tell me how much the department committed to that?

**Hon. Mrs. Joe:** I believe \$48,000.

**Mrs. Firth:** Regarding the Yukon Health Care Insurance Plan, has the department completed the whole revision of the health care computerization so the statements could be issued on time?

**Hon. Mrs. Joe:** The last phase apparently will be completed in the fall.

**Mrs. Firth:** That is the fall of 1986, then. Can the Minister tell me what the total budget is for the three phases of that?

**Hon. Mrs. Joe:** Apparently, that item is paid for by Government Services.

**Mrs. Firth:** It is not charged back to the Department of Health and Human Resources?

**Hon. Mrs. Joe:** No, it is not.

**Mrs. Firth:** Is the department proceeding, even though they are considering, or have made a commitment, to abolish medicare premiums? Is that not considered an unnecessary expenditure of funds to complete that phase, if the government is going to abolish medicare premiums?

**Hon. Mrs. Joe:** There is still a lot of work that has to be included that would be done by that system. We have to go ahead with it to cover other areas. I think that because we propose to abolish the premiums that there would be a lot of work that would still be necessary for that system to work.

**Mrs. Firth:** Could the Minister elaborate a bit about what other areas she means? I am not quite clear as to exactly why they would proceed with the final phase. I believe the objective of doing it was so that people could be issued with their premium statements on a regular basis, and if they are not going to be required to pay any premiums anymore, why are we completing the final phase of the program?

**Hon. Mrs. Joe:** The computer system right now involves the registration, the premiums and the claims, and they are going through that process. I think that the registration is complete and then it will go on to the claims.

**Mr. McLachlan:** Has the Minister made any calculation or estimate of how much would be saved within the department by not having health care insurance premiums?

**Hon. Mrs. Joe:** At this time, I cannot give the Member for Faro an estimate on that. I do not know what it is.

**Mr. McLachlan:** At some point, though, surely the Minister will be running that calculation through the system to find out what the chargeback is against the savings to deflect criticism from it, will she not?

**Hon. Mrs. Joe:** That work all has to be done when we look in the future at abolishing those premiums. That would have to be worked into that changeover and, at that time, I am sure that I will be getting information from the department that gives me all of that information so that we can use it.

**Mr. Nordling:** I do not really know what is included in that \$20 million. Could the Minister provide a few of the main headings for the program's larger amounts so that I have an idea of what we are looking at?

**Hon. Mrs. Joe:** Under health services, we have four activities, and they are broken down to program management for \$117,000, health care for \$18,202,000, community health for \$2,313,000, and vital statistics for \$54,000.

**Mr. Nordling:** The major item, health care for \$18,202,000, was just about right on budget in January. Is it close to right on now at year end?

**Hon. Mrs. Joe:** According to the information we have, the indication that we have right now is that, possibly, it will not be right on, but very close to being right on.

**Mr. McLachlan:** Who made the recommendation to lump all of the expenditures in departmental programs into five line items? Was it an Auditor General's recommendation, or is it an internal department decision? What do you expect to serve or improve upon by doing it this way?

**Hon. Mrs. Joe:** The changes in the financial accounting for program expenditures — the program is health services — by the department through what is termed the chart of accounts, which I was having a difficult time trying to explain yesterday because it is not that easy to even understand, let alone explain, emerged from a major internal audit recommendation accepted by the department and approved in January, 1985, by the former government's Management Board for implementation in 1985-86.

The change reduced the number of programs managed in financial terms in the department from 17 to four. It was officially implemented in October, 1985.

**Mr. McLachlan:** Then I take that all subsequent budgets and supplements will be reported this way?

**Hon. Mrs. Joe:** In this department, they will.

**Mrs. Firth:** On the social development worker training program, could the Minister just give us an update on that? I notice that there have been some workshops and some work assignments done regarding that program. Could she update us on the status of it?

**Hon. Mrs. Joe:** The social development worker training program is under administration. I can give the Member some information on it. A comprehensive training program has been developed by the department, and there have been discussions with several universities, including Alaska, Victoria, Regina and Athabasca. Not too long ago, representatives from Alaska and Regina were in Whitehorse to meet with this department and the Department of Education officials to review the design that has been put together by the department, and also to visit some of the rural areas where we have these workers. I, myself, met with these two individuals.

**Mrs. Firth:** How many individuals do they have participating in the program?

**Hon. Mrs. Joe:** The program will include about 20 individuals.

**Mrs. Firth:** Are all of those people participating now? How many have registered and have been taken into the program?

**Hon. Mrs. Joe:** The preliminary orientation started not too long ago. The Member may be familiar with it, because there was a chart of how this training was going to take place when she left the department. It was a big job, because it is probably the biggest thing that has happened with regard to training local people in that area in a long time.

There have been a lot of individuals involved, people who have worked with that type of training before. We have only started having the orientation on the program. I met with the community workers when they were in town for their first orientation

workshop.

**Mrs. Firth:** I believe, when I left this department, we had just made the decision that the program was going to proceed, but I do not have a lot of details at my fingertips about the program. I know the basic principles of it and so on. I am interested to know if it is moving and how many participants there are now. Does the Minister feel that it is on target or on stream?

**Hon. Mrs. Joe:** The program is moving. I think that it is developing into a good program, because there are always problems with a new program that anybody tries. There has been a lot of work and effort put into it. We have 20 people who are working in that training program.

**Mrs. Firth:** Is that 20 actively working, or does the program have the potential of taking 20?

**Hon. Mrs. Joe:** Twelve are identified under the Community Alcohol Worker Program. The remainder will be with us very shortly.

**Mrs. Firth:** Is the department having difficulty finding participants to participate in the program? I always felt that there was a big demand for it, but sometimes the demand seems to be there and when you actually look for the individuals to participate, there is some difficulty recruiting them. That is my concern.

**Hon. Mrs. Joe:** We have had a lot of representation from different bands and other individuals who are very interested in taking advantage of this program. We would have to expand quite a lot in order to accommodate all those people who are interested. The demand is there, and people who are taking advantage of it are there.

#### *On Accounting Adjustment*

**Mrs. Firth:** Could the Minister give me a very detailed breakdown of what this is for?

**Hon. Mrs. Joe:** I carried this around with me for days anticipating that someday we would get to this \$4,000, and I had almost forgotten that I had it.

The Accounting Adjustment was entered by the Department of Finance to clear the government's books of a duplicate recovery invoice charged against the Special Young Offenders Agreement with Canada in prior years, that is 1984-85 and earlier. The adjustment was initiated in the first instance by the recovery source, in this instance National Health and Welfare, when they discovered that they had been billed twice for items amounting to a total of \$4,000. Adjustments required in connection with old fiscal years are allocated to the Department of Finance in the first instance then back to the Department of Health and Human Resources in this case to clear the books and repay the recovery source in the subsequent fiscal year.

#### *Accounting Adjustment in the amount of \$4,000 agreed to*

**Chairman:** Is the total Operation and Maintenance in the amount of \$4,000 clear?

**Mr. Nordling:** Before we clear the total, I would like to go back to the beginning of the session. The Minister told us the JES had a \$101,000 impact on the administration. I wondered where that was made up?

**Chairman:** We have a request for unanimous consent to go back. Agreed?

**All Members:** Agreed.

**Hon. Mrs. Joe:** That took us up to the end of March. It was money that was already in the department from different program areas.

#### *Operation and Maintenance in the amount of \$4,000 agreed to*

**Chairman:** Capital Expenditures, are there any comments on any line items?

**Mr. Brewster:** I want to get something on record during the general debate. I find it inconceivable that you would go through a budget with 16 items and come out exactly on. I have been in business for a number of years, quite a few more years than a lot of people are aged in here. Some of those businesses, one I had for 18 years, I had to budget six to eight months ahead of time. Never once in all that time did we ever come out without a surplus or a debt.

I had to borrow money from bankers, and they sat down with me with chartered accountants and we borrowed money and balanced

this and that and never once did we come out balanced. Now, I am not going to argue with these people; they are convinced they did it. I talked to an accountant last night and he, of course, would not give me a professional opinion on this because of where we were talking, but his eyebrows were raised very much. I would like it on record that I wonder if there is a slush fund somewhere in here that we voted on that we are not finding, or what is going on.

**Mrs. Firth:** This Northern Health Services - Equipment and Construction for \$1,183,000, what construction came under this area, could the Minister tell us that?

**Hon. Mrs. Joe:** I will break it down under Dental Therapy. In Dawson City there was capital expenditures to that to the tune of \$29,000. With regard to miscellaneous health centre renovations, I do not have a breakdown of all of the different health centres that took advantage of it, but that was \$25,000. Vehicle replacement was \$43,000. Equipment for community health nursing, territory-wide, was \$137,000. Health centre and residence in Carcross, \$627,000. The medical-dental clinic in Dawson City was provided with \$44,000. The health centre upgrade in Teslin was \$178,000.

**Mr. McLachlan:** When Northern Health Services closes the nursing station, as they did in Faro, and then goes back and reopens it, everything has been stripped from within that nursing station. There are very many people today who remain unconvinced that everything will come back again. Does the government of the Yukon get hooked, or get caught, in having to contribute toward replacement of capital equipment in one that has been closed under these circumstances?

**Hon. Mrs. Joe:** That equipment and furniture, and everything else, belonged to the federal government, it does not belong to us. We do not get stuck with anything that they do not want anymore.

**Mr. McLachlan:** The capital, then, that we are talking about is only for construction? I definitely see equipment in my line items. I believe that under the cost-sharing formula we have with the federal government that we are responsible for 70 percent of all capital in any of the cottage hospitals and nursing stations.

**Hon. Mrs. Joe:** The equipment that they have in the different centres and stations — and I do not think that it has happened that often that they have had to close any of those — would be sent somewhere else. If it was good equipment, it could be used somewhere else, maybe to replace another unit in some other community where it was needed. In Faro, I think, if we are lucky, it will all go back there.

**Mrs. Firth:** Speaking of Faro, where is the \$1.2 million for the staff housing? Is that identified anywhere in here? If it is not going to be needed, is it being turned back? Where have I lost it?

**Hon. Mrs. Joe:** I think that I can identify that in the 1986-87 Capital Estimates. That is where it was. It is not in here. As I mentioned before, that project is on hold for now.

**Mrs. Firth:** Did I understand the Minister clearly? That is coming back in the Capital supps that are going to be tabled in the House later?

**Hon. Mrs. Joe:** When we go over the Capital supps, when they come to the House, I think that there might be an item there to indicate that there has been a decrease in that amount. Part of the decrease would include the Faro facility.

**Mrs. Firth:** Could the Minister just say which new facility is meant by Alcohol/Drug?

**Hon. Mrs. Joe:** It is the funding for a facility planning project to assess the existing detox centre and alcohol and drug program related facility requirements as a basis for a future capital planning and maintenance versus replacement decisions.

**Mrs. Firth:** Is that for a study? I am not quite clear what the Minister just said.

**Hon. Mrs. Joe:** That is for the assessment of, and planning for, that centre.

**Mrs. Firth:** When does the Minister expect having that completed and making a decision on the new centre?

**Hon. Mrs. Joe:** Apparently that will be included in another budget. It did not go ahead, and I think it might also be listed in the 1986-87 Capital Supplementary No. 2.

**Mrs. Firth:** Did I understand correctly that it is a feasibility study, but it did not proceed and it is going to proceed under some



other budget item?

**Hon. Mrs. Joe:** It was supposed to be the first phase of the feasibility study. Apparently it did not get done.

**Mrs. Firth:** Could the Minister tell us why, and who were they going to get to do it? Was it going to be done locally, or was it going to be done by a consultant outside?

**Hon. Mrs. Joe:** I do not have that information, but I would be happy to bring it back to the Member.

**Mrs. Firth:** Is the proposed new facility study going to be called the Ibex Centre, by any chance?

**Hon. Mrs. Joe:** I do not think so.

**Mrs. Firth:** What is the line for \$250,000 for?

**Hon. Mrs. Joe:** As I indicated to the Member in the general debate, that was for the 501 Taylor facility, and also site planning that had been done earlier.

**Mrs. Firth:** Was there not originally \$2.5 million identified here and then reduced to \$1.00. Can the Minister explain the progress of the original allocation of money? What happened to that original allocation of money from the federal government, and where do we stand now with that?

**Hon. Mrs. Joe:** In the Supplementary No. 1, we reduced that amount to \$250,000. It was done on October 10 of last year.

**Mrs. Firth:** Does that mean that we are no longer able to get the \$2.5 million from the federal government that we had originally negotiated to get for a secure facility?

**Hon. Mrs. Joe:** That would be part of the negotiating for any big project that we would wish to do. In the previous plan to build a facility for young offenders, there was not any money budgetted at that time. It would have been a negotiating process to find out whether or not those funds would be available to build a facility for secure custody.

**Mrs. Firth:** The previous government had a commitment from the federal government for \$2.5 million. Have we now just let that lapse?

**Hon. Mrs. Joe:** It has just been reallocated. It has not lapsed.

**Mrs. Firth:** What does the Minister mean by reallocated? What has it been reallocated to and where are we spending the money? Where is it identified?

**Hon. Mrs. Joe:** That was in Supplementary No. 1. When that happens, it goes back to general revenue and would not be indicated in this Supplementary No. 2.

**Mrs. Firth:** Has that fund lapsed then?

**Hon. Mrs. Joe:** It is in the consolidated revenue fund of this government.

**Mrs. Firth:** Was that money negotiated specifically for a secure young offenders facility? Can it go into general revenue without being spent on that? Can it be spent on whatever this government designates it to be spent on?

**Hon. Mrs. Joe:** That amount of money was originally to be used for planning and studying. It was left in general revenue and can be reallocated.

**Mrs. Firth:** Did the \$250,000 come from that \$2.5 million, or was that just another identification of money within the department?

**Hon. Mrs. Joe:** This is, Mr. Chairman.

**Mrs. Firth:** The line item is Young Offenders Secure Facility Construction. Is 501 Taylor Street a secure facility? Is that not open custody?

**Hon. Mrs. Joe:** The young offenders secure facility was listed here because the intent of the money originally was to go into a program. All of those plans were put on hold until we had our community consultation meetings finished and we could come up with a final report with regard to what was needed in the Yukon.

It says secure facility but the two programs go together because we are looking at a facility for these young offenders, whether it is secure or open.

**Mrs. Firth:** The point I am trying to make is that this line is very specific. It is for the young offenders secure facility construction, and the 501 Taylor Street for \$187,000 was purchased under this line item as an open-custody facility. I believe the Minister said that was the intention. I do not know if that is legally correct, or if the government has the authority to do that. Could the

Minister clarify that for me and explain how they can do that.

**Hon. Mrs. Joe:** I cannot see any reason why we cannot do that because it is all under the same program. It is all a secure type of custody. Open and secure custody is included in our Young Offenders Program. We may have erred in putting secure facility down here, I am not sure, because my intention at the time we dealt with these supplementaries was not to go ahead with the secure facility, but as the Member knows, to go ahead with the community planning process. We had already made a decision to look at housing these young offenders, whether it was in a building we purchased or leased. We had that type of plan in place because we had to have some way of looking after the program and housing all of these young people in our care. I do not think there is any problem here because it is all part of the program.

**Mrs. Firth:** If it said young offenders facility, it may be part of the program, but I understood from the Minister's explanations during Question Period that secure facility and open facility were two different things. The Minister gave two different definitions for those two kinds of facilities. The *Young Offenders Act* specifies that there are two different programs. My concern is, if the Minister feels that putting the secure facility in there was an error, I feel too that it may be an error, possibly an illegality, and I am not speaking from any legal expertise, except my understanding of the *Financial Administration Act* and the way the budgets are put together. If you have a line item as specific as this one is you cannot vote funds under it for some other kind of program. I still do not feel comfortable with the explanation that 501 Taylor Street, which is an open custody facility, can be voted under a young offenders secure facility construction line.

**Hon. Mrs. Joe:** I do not think it might be illegal. It was listed as the young offenders secure facility under the previous government, but that also included the two facilities, open and closed. The thing that we had hoped to accomplish at the end of our consultation process was to find a way of dealing with our offenders in secure custody. In order to do that we had to purchase a home to house those young people in open custody, which would have released the plan we had to use the assessment center for a secure facility. So, the two facilities do go hand in hand and are included in the Young Offenders Program, whether it is open or closed, but there was a decision at the end to do what we had planned.

**Mrs. Firth:** However, the intention in the beginning was to build one facility that was going to be open and closed. The Minister has deviated from that principle and has two separate facilities. Therefore, my interpretation would be that she would have to have a separate line item, Young Offenders Open Facility Construction, in order to legally have the 501 Taylor Street come under this. In the 1984-85 budget, there was a Young Offenders Facility line item for \$1.00, but that was for a facility that housed a secure section and an open custody section.

Perhaps the Minister would be prepared to stand that line over until she can get the proper legal advice, and we can get the issue cleared up.

**Hon. Mr. Penikett:** What the former Minister is proposing is clearly not sound at all. She has just, in her own words, said that the money was originally voted for two purposes: an open custody and a closed custody. That is what the line item was originally for. In one facility, but it was voted for the two purposes.

We are not talking about two separate facilities filling the same purposes, which was the original intention of the program. There is nothing improper about what the department has done at all.

**Mrs. Firth:** With all due respect, it is different. This is not a secure facility that has been purchased here. If it said simply, Young Offenders Facility - \$1 million, or \$250,000, I could see that. But this says, Young Offenders Secure Facility, yet the Minister has said that 501 Taylor Street, which is an open custody facility, was purchased under this line. I do not know whether that is correct legally, according to the *Financial Administration Act*. The line is different than the purpose for which the money was spent.

**Hon. Mr. Kimmerly:** I do know, and it is perfectly legal. As an example, the previous government talked about the Takhini Steam Plant Study, which we mentioned yesterday. The line item

appeared as a study. The description continued over about three years as a study and a \$1 million project was done under that description.

The description is for information purposes only. The vote is for the departments and the programs. It is perfectly appropriate. It is well explained and perfectly legal.

**Mrs. Firth:** The Member for Kluane said, "Thank the Judge".

I thank the Minister of Government Services and Justice for his legal opinion. I still wish to dispute whether it is legal or not, because it is a specific line for a specific item; however, the money was not spent for a secure facility. It was spent for an open custody facility.

All I am saying is, if there is a question — and I know the Minister of Justice does not feel there is a question — about it, I would rather us not just pass it. I am not prepared to, although the Members opposite can just out-vote us and let it go. The Minister of Justice is nodding his head. I do not think it is technically correct. I stand to be corrected if it is, and I would extend my apologies to the House for raising it. I do not feel that it makes sense to me. If it says Young Offenders Secure Facility Construction, I could see if it was the assessment centre, and you were doing something with it under the line. You are not. This is what 501 Taylor Street, which was purchased for an open facility, was purchased under. That does not make sense. I await to see what the Minister's intentions are.

**Chairman:** On a technicality, this cannot be stood over because it is neither an over-expenditure nor an under-expenditure.

**Mrs. Firth:** I will go with the ruling of the Chair, but I feel that it is our responsibility to raise it. We have raised it and identified it as an issue and as a concern. If we cannot stand it over and if nothing can be done, then we have to go with the ruling.

**Hon. Mrs. Joe:** I appreciate the Member's concern in this area. Her dispute will be recorded in *Hansard* for future references. I know that some time down the road she will want people to say that she was right. I feel very confident, as I am standing here, that it is not illegal. I have a legal opinion from the Minister of Justice. The Government Leader also spoke on it and I feel very confident that I can stand here and defend it.

**Mrs. Firth:** I, with all my best wishes, hope the Minister is correct. She puts such confidences in the Minister of Justice and his legal opinions. I must also raise for the record that 501 Taylor Street has not been the smoothest operation and is still in question. This is just another example of a doubt that has been raised and a concern that has been raised by this side of the House.

**Hon. Mrs. Joe:** 501 is not anything right now. It is a building that we purchased. It is neither a closed, open or secure facility. It is a building that we hope will accommodate the overcrowded young people in our care. It is not a secure or an open custody facility right now.

**Mrs. Firth:** If that is the case, how can it be purchased if it is nothing. If it is just a government asset, why are we purchasing it under young offenders secure facility? Why is it not under Government Services assets for the government for overload or whatever? That is what the line item would be. It is a home for overload with a swimming pool. This is getting ridiculous. I think, on behalf of the opposition, we raised a valid point. The government is not prepared to accept it. I have gone from being told that it is legitimate under this line to being told it is nothing under this line, that 501 Taylor Street is just nothing. I am sure we will be discussing this issue again in the future.

**Hon. Mrs. Joe:** The Members on the other side keep talking about a swimming pool, a home that we bought for a swimming pool. They keep talking about the incompetence of us wanting to do what we are doing in regard to buying a home to house these young offenders. There have been a lot of comments about why we would want to buy a home with a swimming pool when these children are only young offenders.

<sup>18</sup> I have before me the information that was given to me, and they certainly cannot call me out of order right now, because we have been talking about the young offenders program and all sorts of other things.

The previous government had a plan in place to build a facility to

house young offenders in open and closed custody. One of their plans was to build a recreation facility for these young offenders. The plan was that it should be used for social and cultural activity such as films, music and drama events. The gymnasium size and layout should be similar to those in secondary school accommodating basketball, volleyball, badminton, indoor soccer and floor hockey, a separate area to be used for a universal gymnasium, with locker rooms. Part of this program would also include larger changing rooms and stuff like that.

This facility that any school would love to have was going to cost the government \$941,688,000, — almost one million dollars — so I get a little bit upset when they raise questions about us buying a facility for \$187,000 with a pool in it, when in fact the plan was to build a facility for the same amount of \$5,972,000 and that did not include the service off-site, site acquisition and site preparation.

So we were looking at a facility that was going to cost almost \$8 million, and they stand there and tell us we are being an incompetent government by buying a facility for \$187,000.

I will table this in the House.

**Mrs. Firth:** I fail to see the point. The government may be in the position where they will have to go with that facility. They may end up having to do that. They may find themselves in that position. Not only that, they are still going to have an asset they have acquired, and they are still going to have an assessment center that is going to be in question. So the Minister has no point.

We had a plan and we were prepared to proceed with it. We are trying to find out what this government's plan is and where they stand. So far we still do not have a facility to house the young offenders.

**Hon. Mrs. Joe:** We would have had a facility in place to house these young offenders. Our intention was to consult with people who work with these young offenders to meet with the communities to find out how involved they wanted to get. We found out that we could buy a home for a reasonable amount of money compared to what the previous government was going to do to house young offenders, to take them out of one building, and use the other building as an interim secure custody facility. Because the information we had at the time is that we have never had more than six young offenders in secure custody, and those young offenders had been sent outside.

We may have to, sometime down the road, go ahead and build a facility, but we are not going to build anything for \$8 million, especially with a gym for \$1 million.

**Mrs. Firth:** We will see.

<sup>19</sup> **Chairman:** Do the Members wish to continue or take a recess?

**Some Members:** Recess.

**Chairman:** We will now recess for 15 minutes.

*Recess*

<sup>20</sup> **Chairman:** I will now call Committee of the Whole to order.

**Mrs. Firth:** Before we move off the Young Offenders Secure Facility, I want to raise again my concern and to point out that on October 10, 1985 in *Hansard* on page 129, when we voted on the Young Offenders Secure Facility Construction, the reduction from that \$2.5 million to the \$250,000, there was no indication to the Legislature that the funds were going to be used for any other purpose than for a secure facility. There was no discussion on it.

My concern is that we have agreed to a line item in one sitting and then have come back to the Legislature and something else has been put in its place. Somewhere along the line a decision was made. It was not a decision made in the Legislature. Maybe it was decided in Management Board or Cabinet or whatever that this be changed for another expenditure of funds in a different kind of program.

I know that the Government Leader always felt that it was the Legislature's authority to do that kind of thing, not Cabinet's. I am sure he is sensitive to my concern about the issue. I would like that on the record because it somewhat dispels the legal opinion we had presented in the Legislature.

**Hon. Mrs. Joe:** There was no budget debate on Capital Supplementary, 1985-86, No. 1. I mentioned that we had zoomed



through it in less than two minutes. The Members on the other side of the House did not want to hear about anything that we had listed here at that time. That was the case with just about every other department.

I still feel that there was a consideration in the last budget for a young offenders secure facility and it was decreased from that amount to \$250,000. The term was used, as far as I know, by the previous government and they intended to build a facility to house both open and secure young offenders.

<sup>21</sup> I do not think we have done anything illegal here. We were not trying to tell any tales or anything else.

**Mrs. Firth:** I guess you are darned if you do, and you are darned if you do not. You ask questions, you get accused of filibustering, and if you do not ask questions, you get accused of not asking questions.

I recall debating with the Minister in the House the issue of the Capital Budget, and any new initiatives she may have taken in that Capital Budget. She never even raised then that perhaps they were looking at purchasing an open facility in place of the secure facility. I believe the studies had not been completed, and the public consultation had not been completed.

We were presented with a line that said, "Young Offenders Secure Facility", but really no direction as to what the government's intention was. The Minister maintained that she still had not made a decision. The point I raise again is that we come in here, this is the last chance we have to find out what the funds have been spent on. We find that they are identified for a young offenders secure facility, but they have been spent on an open custody facility.

It has been raised, and it is on the record now. We have brought our position forward.

**Hon. Mrs. Joe:** Any discussion that took place on the capital expenditures took place and it can be verified in *Hansard* in the 1986-87 Capital Estimates. With respect to the Member voicing her concerns, we voted a supplementary decrease last October 10. At that time it was listed as a secure facility, and it was carried over from the previous government listing it as the very same thing.

In the 1985-86 budget when that happened, there was no debate, there was nothing registered. It was in the Capital Budget where we did have the debate and the concern on the Faro facilities and all of those other things. In that 1986-87 budget, we voted \$1.00.

<sup>22</sup> In 1985-86 we voted a decrease from \$2.25 million to \$250,000 using the same terms that the previous government used to build their facility to house both open and secure. I also want that registered in *Hansard*.

**Mrs. Firth:** I wanted to correct my previous comment about the 1984-85 budget where we voted \$1.00, not one million as I said earlier. We voted that for a young offenders facility. The line says "Young Offenders Secure Facility". This government announced the policy that their young offenders secure facility is the assessment centre, not 501 Taylor Street, and yet the money here is identified under young offenders secure facility for the purchase of 501 Taylor Street, which is an open custody facility.

Maybe the Cabinet made a decision that they were going to do that, but the Legislature and the legislators were not made aware of that in any formal debate, that the government was going to purchase an open facility under a line item for a secure facility.

**Chairman:** Furniture and Equipment - Youth Services.

**Hon. Mrs. Joe:** That is for replacement of furniture and equipment for residential facilities including the assessment centre, 5030-5th Avenue and the Annie Lake Base Camp.

<sup>23</sup> **Mr. McLachlan:** I would like the Minister of Health and Human Resources to reassure our troubled minds that that furniture was in fact outside furniture, not locally manufactured, because it was such a thumping good deal in the area of \$26,000 or less.

**Hon. Mrs. Joe:** By the time that we got this budget into the House, a lot of that furniture was probably already purchased.

**Mrs. Firth:** I did not hear the Minister's last comment about furniture for the Annie Lake — what?

**Hon. Mrs. Joe:** The furniture and equipment for residential facilities including the Assessment Centre, the 5030-5th Avenue Group Home and the Annie Lake Base Camp based on replacement

schedules including items such as mattresses, recreational equipment, furniture and appliances.

**Mrs. Firth:** Could the Minister tell the House what the Annie Lake Base Camp is?

**Hon. Mrs. Joe:** That is a wilderness-type program that we have under the *Young Offenders Act*. It works with the Assessment Centre and the group homes where we provide a wilderness type program for some of the young offenders.

It works quite well. It was instigated by the people involved with the young offenders program and very often accommodates a number of those young people whom we have in our homes because, right now, they are overcrowded.

**Mrs. Firth:** I would like to know when the decision was made about this program. This is the first I have heard of it. How long has the program been participated in?

**Hon. Mrs. Joe:** It was a decision made by the previous government. That is the answer I gave to the Member for Porter Creek East when he asked that question.

**Mrs. Firth:** It is obviously a very wise decision. Can the Minister tell me on an average how many young offenders her department would have out there?

**Hon. Mrs. Joe:** It differs. We would have enough supervisors depending on those who would be available to accommodate a certain number of children. It is a very good program where children are able to get out in the open rather than be stuck in the Assessment Centre. I do not know how many we would have at a time, but the numbers differ for each group that goes out.

They are not only children who are sentenced to open custody. They also include some of those other children whom we have in those two group homes right now.

<sup>24</sup> **Mrs. Firth:** Is the program being run by departmental staff, or is it being contracted out on a private basis?

**Hon. Mrs. Joe:** It is being run by the department in the young offenders program. It is a program that is successful. As a matter of fact, a lot of the communities would like to offer that kind of program for young offenders. In just about every single community that we went into, someone wanted to do that type of thing with their young offenders.

#### *On Construction/Renovations - Child Welfare*

**Mrs. Firth:** What would Construction/Renovations - Child Welfare be for?

**Hon. Mrs. Joe:** That \$144,000 are funds to be utilized for renovations to the Whitehorse Receiving Home and certain child welfare groups to provide improved accommodation for group home parents and address specific facility problems.

**Mrs. Firth:** Have all of the renovations been completed?

**Hon. Mrs. Joe:** At the time of the variance 9 records, there was some in progress, but it is to carry us over until the end of last month. I believe that some of them might be still in progress.

**Mrs. Firth:** I am asking if all the money has been spent. It would indicate here that it has, that there are no funds being turned back. Is that correct?

**Hon. Mrs. Joe:** My page in front of me indicates that we have not turned any back.

**Mrs. Firth:** The Minister has said that there is still some work to be completed. I would anticipate that unless they have paid in advance, there would still be more payments coming, depending on when it is completed. Has all the money been spent?

**Hon. Mrs. Joe:** In January, as I mentioned before, when this was put together, we had planned to have everything completed by the end of March. As I said, there may be some work still in progress. If the Minister does want to have that information, I can certainly come back to her with it.

**Mrs. Firth:** This raises a concern. I noticed in the Education budget there were a fair number of capital construction projects at certain phases, and there were various amounts that had been turned back. A decision had to be made on whether the project was going to proceed or not. Obviously, that is not the same in Health and Human Resources, and every project is going to proceed, because they have said that all the money has been spent.

On the young offenders construction, this construction renovation, and the renovations at the alcohol and drug, I am assuming

that all those projects are complete or near completion.

**Hon. Mrs. Joe:** I have already answered questions with regard to prior items listed. I am speaking on this one now. I do not know if all the projects are completed but, as I mentioned before, at the end of December when this was put together we had planned on having it in place. I do not know. I would have found out if I had known the Member was planning these questions.

**Mrs. Firth:** What kind of equipment is included in Equipment - Speech Disorders?

**Hon. Mrs. Joe:** These were funds utilized for equipment requirements for assessments, diagnostic and treatment services provided to individuals with communications disorders. Equipment is replaced on a two and five-year cycle and includes items such as tape recorders, audiology equipment such as clinical audiometers, hand receivers and transcribers.

**Mrs. Firth:** Do we have our full complement of speech therapists within the territory now?

**Hon. Mrs. Joe:** We were looking for those persons to work with our communications disorders program and we were able to fill those positions last winter.

**Mrs. Firth:** Which senior citizen facilities are getting equipment and what is the equipment?

**Hon. Mrs. Joe:** The \$77,000 are funds utilized for ongoing upgrading and replacement of furniture and equipment for senior citizen facilities in Whitehorse, Macaulay Lodge, and Dawson City, MacDonald Lodge, including such items as appliances, bedroom furniture, rest area and recreational equipment, chesterfields, tables and chairs.

**Mrs. Firth:** I understand that all of the equipment is purchased and in place?

**Hon. Mrs. Joe:** Yes, I believe it is.

**Mrs. Firth:** Could the Minister tell us what the Dawson City Senior Facilities Upgrading was for?

**Hon. Mrs. Joe:** The \$50,000 are funds to be utilized for a comprehensive technical assessment of MacDonald Lodge in Dawson City to examine foundation, heating, ventilation and other problems and complete a variety of minor renovations to the facility. As the Chairman knows all of those things were, or are, needed.

**Mrs. Firth:** Did I hear the Minister say that there was a facility study done under this item?

**Hon. Mrs. Joe:** There is a study being done but it is being done under an energy audit study and it has been recently completed by consultants contracted by the Department of Government Services and will be examined.

**Mrs. Firth:** Did that come out of this budget allotment or out of the government services budget?

**Hon. Mrs. Joe:** No, it did not. Energy and conservation.

**Mrs. Firth:** Could the Minister give us a description of what Extended Care Facility Construction is for, please?

**Hon. Mrs. Joe:** The \$150,000 are funds to complement federal planning resources relating to the proposed new Whitehorse General Hospital project, to address needs identified by the Rehabilitation and Geriatrics Service Review Report two years ago, and confirmed by institutional and medical services experts from Alberta last year.

**Mrs. Firth:** Has this study been incorporated into the recent announcements about the kind of facility that the federal government is considering building here, in place of the Whitehorse General Hospital?

**Hon. Mrs. Joe:** The planning for that project is not completed. It is something that had started and did not finish at the end of December. It had not gone along as quickly as we would have hoped that it would have.

**Mrs. Firth:** Could the Minister tell us if it is completed now? Has all of this \$150,000 been spent?

**Hon. Mrs. Joe:** No, it is not.

**Mrs. Firth:** If this one, like the other study that the Minister indicated, had not been completed in one of the previous lines, if they are not finished, why is there not a bracketed amount of money to be turned back, if there is still some unexpended funds?

**Hon. Mrs. Joe:** When this period information was put together, it was the intention to have it finished by the end of March. At the

time that this document was put together, we felt that it would be spent. If we had come to a complete stop by the end of January and it had not been done, then we might have been able, at that time, to indicate that we might have had an under-expenditure in this area. We did not have that information because it was in progress at that time.

**Mrs. Firth:** However, should the money still not be identified there, and would come back as a revote? Is there a new way of doing this? That was how I always understood that it was done. If the funds had not been spent, it would be identified and it would be required as a revote of unexpended funds.

**Hon. Mrs. Joe:** As we indicated yesterday, at the end of the period, 1985-86, any money that was in excess of what we had indicated, it would go to the Territorial Accounts.

**Mr. Nordling:** Can the Minister tell us what has happened since January to cause the project not to be complete? How much of it is there to be completed?

**Hon. Mrs. Joe:** The Federal Planning Project that was being done in conjunction with this is not being completed as quickly as we had hoped. The two could not fit together. We could not go ahead with it until the federal plan was in place.

**Mr. Nordling:** Does the Minister have any idea of how much money has been expended?

**Hon. Mrs. Joe:** At the time that this was done we did not anticipate having any money left over. We will have a record of that very soon, I would suspect, because the fiscal year has now ended. If there is an excess of money here I can certainly come back and let the Member know.

**Mr. Brewster:** I think we are getting around to where my problem is. All departments in this government would close off at the same time, is this not correct? Every department has put money back to be revoted except this department — not on all item lines and that I can understand.

This one has gone through completely and has never put back a bit of money to be revoted yet. Every other department in this supplementary did. This I cannot understand.

They look at me like police. There must be an explanation. Why? Everybody stops at the same time of year and yet these other departments were able to turn around and put back money for revoting.

The Minister for Communications and Education admitted that he did not even know if he could get this money back. I understand that, because the Cabinet may not give him that money. This department has not voted to send back and they have said they are coming completely down on the line but they are holding money to spend. It should be revoted.

**Hon. Mrs. Joe:** Most of our projects in our department are ongoing. There are certain things that we can carry on throughout the whole fiscal year from April 1 to March 31. In other departments, for instance, if there is a capital project that is anticipated to be finished and it was not able to be done — for example in Community and Transportation Services — you would know by the end of December whether or not that money was left over. The project would have come to a complete stop.

In our department we have programs that are ongoing and they continue after that period of time. Each department is different.

**Mr. Brewster:** I cannot accept that, because there are lots of ongoing programs. There are all kinds of them that are ongoing. I just do not accept that at all.

**Hon. Mrs. Joe:** We went over this yesterday. We have discussed it. The same concerns have been raised by the other side. I do appreciate the concerns and comments. I think that they are very beneficial to this debate, and if we do find that there is a problem in our department, next year we will be able to come to the House and explain to the people and the Members on the other side a little bit more thoroughly and give them the answers that they need.

The explanation is that we have a different kind of a department. If we have a project going, we do not stop it at the end of January to expect it to go on until the end of March. It is ongoing for that fiscal year. This is the budget for 1985-86. That fiscal year ends at the end of March.

**Mr. Phelps:** Not to prolong this debate interminably, but we have a situation under the capital where the new facility, alcohol/drug, \$50,000 — that could have been a reduction. We have the same situation, it would appear, throughout with this department. Are we encouraging a situation, which I have seen in departments in the federal government from time to time, where, as year-end approaches, they scramble and try to find ways to spend the money so they will not be chopped down the next year.

I suppose, aside from other issues, one problem is, are we encouraging these people to spend as much as possible to keep their department padded? What is the Minister's view on that?

**Hon. Mrs. Joe:** I have tried to explain to the Members of the House how things work in my department. I do not know what more I can tell them. I have repeated myself over and over again. We are now talking about the extended care facility, which does not even have a supplementary. Then we go back and the other side of the House starts talking about other projects that we have already voted on, that did not need a vote in the first place. I do not know what more I can say to the Member.

<sup>29</sup> **Mr. Phelps:** The idea is to put as much information as possible before the House with respect to the taxpayers dollars and the complaint here is that that is not what has occurred. In simple language, that is the problem. We have a department that has no contingency fund. That may mean one of two things; either they have an awful lot of money sitting there that they will use for the contingency, without identifying it, or, as was indicated in debate yesterday, the department was not aware of its obligations under the changes to the *Financial Administration Act*, that this is the last supplementary. It seemed to be thought, from debate in *Hansard* yesterday, that we get a supplementary number three. If this was done because of that error in the minds of people in her department, perhaps now is the time to say so.

**Hon. Mrs. Joe:** We have, as I explained, projects that we cannot stop at the end of December. We have programs that we have forecasts on and we put together this supplementary here based on expenditure information as of December and departmental forecasts. That is how the department does it. If we were doing a project such as the extended care facility, do we stop it and say this is how much money they spent when we do not really have that information, or do we continue with a program that is already in existence and forecast that that amount is going to be spent by the end of the fiscal year, as this estimate is for.

**Mrs. Firth:** (Inaudible)

**Hon. Mrs. Joe:** The Member for Riverdale South says we stop when we run out of money. Different programs and different departments work in different ways. We have all sorts of expenditures in our department that we cannot definitely make a forecast on. For instance, if we had money for social assistance recipients at the end of December, do we give all that money back and for the next three months say, "sorry guys, we do not have any money left"?

<sup>30</sup> **Hon. Mr. Porter:** I move that you 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:** I will call the House to order. May we hear a report from the Chairman of Committee of the Whole.

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

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

**Some Members:** Agreed.

**Speaker:** I declare that the report has carried.

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

**Speaker:** It has been moved by the hon. Government House Leader that the House do now adjourn.

*Motion agreed to*

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

*The House adjourned at 9:29 p.m.*

