



# The Yukon Legislative Assembly

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Number 24

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26th Legislature

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## **HANSARD**

Monday, April 28, 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**

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

## **GOVERNMENT PRIVATE MEMBERS**

### **New Democratic Party**

<b>Sam Johnston</b>	Campbell
<b>Norma Kassl</b>	Old Crow
<b>Art Webster</b>	Klondike

## **OPPOSITION MEMBERS**

### **Progressive Conservative**

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

### **Liberal**

<b>Roger Coles</b>	Liberal Leader Tatchun
<b>James McLachlan</b>	Faro

## **LEGISLATIVE STAFF**

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

<sup>01</sup> **Whitehorse, Yukon**  
**Monday, April 28, 1986 — 1:30 p.m.**

**Speaker:** I will now call the House to order. We will proceed with prayers.

*Prayers*

**DAILY ROUTINE**

**Speaker:** We will now proceed with the Order Paper.  
 Are there any Introduction of Visitors?  
 Are there any Returns or Documents for Tabling?

**TABLING RETURNS AND DOCUMENTS**

**Speaker:** Under tabling of returns and documents, I have for tabling the report of the Chief Electoral Officer on contributions to candidates in the by-election in Whitehorse Porter Creek West.

Are there any further documents for tabling?  
 Reports of Committees?  
 Petitions?  
 Introduction of Bills?  
 Notices of Motion for the Production of Papers?  
 Notices of Motion?  
 Statements by Ministers?

**MINISTERIAL STATEMENTS**

<sup>02</sup> **Appointments to the Yukon Recreational Advisory Committee and the Yukon Lottery Commission**

**Hon. Mr. McDonald:** I am pleased to announce today that I have selected the members for the Yukon Recreational Advisory Committee and the Yukon Lottery Commission. In keeping with stated government policy of public consultation and participation, the Yukon government called for nominations from all sport, art and recreation groups in all the Yukon communities. I have chosen committee members from the nominations following a very fair and representative process as detailed in the *Recreation Act* and the *Public Lotteries Act*.

Before I announce the new committee members, I would like to publicly acknowledge the assistance of the outgoing members. These individuals have given many hours of their time towards the orderly development of sport, art and recreation in the Yukon. Their efforts have been greatly appreciated.

I would like to thank Joan Bilton, Kim McIntyre, Robert Armour, George Arcand and Doris Gates. I have also received notice that Elizabeth Sheardown and Faye Deer are retiring this year. I extend a special note of thanks to these two women. As the Yukon Lottery Commission executive officers, they have worked long and hard in managing the lottery operations in the Yukon.

I now would like to name the new committee members. As stated in the legislation, the committees are comprised of four arts, four sports and four community representatives, and must be balanced between rural and urban members. To this end, the community members are Preston Roberts and Jenny Skelton, who both have one year remaining of their terms. New members are Gladys Netro of Old Crow, who has a keen appreciation of recreation in rural communities, and Jim Boyde, who is extremely active in many aspects of life in Mayo. Both of these individuals are appointed for two years. Jim Boyde is also appointed as Vice Chair of YRAC.

The four sports representatives are Paul Nugent, who has one year remaining in his term, and continues as Chair of YRAC. Gary Felker is an avid sportsman and is appointed for one year. Susan Hill is a national calibre athlete, and is appointed for two years. Truska Gorrell, whose commitment to recreation is well known, is appointed for a two year term. Truska is also appointed as a Yukon Lottery Commission Chairperson.

As the arts representatives on YRAC/YLC, I am naming the following individuals.

Don Watt is appointed for a two year term. Don is very active with numerous arts groups in many capacities. Cathy Hines of Dawson has a broad vision for the arts as patron and volunteer. Her appointment is for two years. I am reappointing Steve Slade for one more year, and Phyllis Fiendell has one more year remaining in her term.

These appointments are made in line with a fair and public process. The new YRAC/YLC will represent the sport, arts and recreation communities extremely well. As you will note, great respect has been made for rural representation and the balance of men and women. We have encouraged native representatives, particularly in the rural areas, to become more involved in this process so that the committees will grow to be more representative in the years to come.

<sup>03</sup> These individuals have an important role to play in the orderly development of sport, art and recreation in the territory and I wish them luck and look forward to working with them in years to come.

**Mrs. Firth:** We, too, are pleased to receive the appointments to the Yukon Recreation Advisory Committee and the Yukon Lottery Commission. We are particularly pleased to see that the Member has highlighted that the committee was chosen from members from the nominations following a very fair and representative process as detailed in the *Recreation Act* and the *Public Lotteries Act*, and also that these appointments are made in line with a fair and public process. I believe we had some rather lengthy debates in this Legislature about the appointments to the YRAC, and I get the impression from the Ministerial Statement that he has a whole new outlook on the fairness and public accountability process through which these Members are appointed.

I would like to give a special thank you to the members who have completed their terms, to Joan Bilton, Jim McIntyre, Robin Armour, George Arcand and Doris Gates. They were all very dedicated members and worked very long and hard hours. They did do their part in shaping the direction recreation is now taking in the Yukon. I was disappointed to hear that Elizabeth Sheardown and Faye Deer will be retiring, however they have spent many years on the committee and are both due for a break. I look forward to hearing who the new members will be who replace them.

We are pleased with the appointments. This side of the House commends the Minister for his choice of individuals and for the fair representation of women and men, of natives and the urban and rural areas.

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

<sup>04</sup>

**QUESTION PERIOD**

**Question re: Carcross-Skagway Road**

**Mr. Phelps:** I have some questions for the Minister of Transportation Services with regard to the railway, as opposed to the highway, option of trucking ore to the coast. I would like to begin by pointing out that, in the past during this Session, I have asked a series of detailed questions with regard to costs on the Carcross-Skagway Road. We had one comparative document tabled by the Minister, showing fairly rough breakdowns between the Skagway route, the Canadian shuttle, and the Skagway route, the American shuttle, et cetera. Is the Minister going to be tabling more detailed answers to the outstanding questions in the near future?

**Hon. Mr. McDonald:** Yes. In response to some of the questions that the Member has put in Question Period over the last number of weeks, it was my intention to have the information available for the O&M estimates debate, which I anticipate will be taking place very soon.

**Mr. Phelps:** The document that was tabled talks in terms of option number four, Skagway truck-rail combination. It talked in terms of \$20 million capital costs. It did say that it was a very rough estimate. I am wondering whether the government had discussions with the White Pass and Yukon Route Railway Company in preparing this document?

**Hon. Mr. McDonald:** We did not consult with White Pass with

respect to the costs associated with upgrading the Skagway Road, if that was the intent of the Member's question. The amount of information that we received with respect to the ongoing costs associated with operating the rail were gleaned from previous reports of the Canadian Transport Commission, and an estimate of what the railway, themselves, had indicated would be necessary to operate that particular truck-rail option.

**Mr. Phelps:** Is it the intention of the government to delve, once again, into that issue and come up with a more concrete estimate as to the rail costs, or to further examine the issue at all?

**Hon. Mr. McDonald:** With respect to examining the railway costing with a view to reconsidering the rail as an option, we have gleaned from previous reports that it would not be economical to use the White Pass Railway to haul freight under certain circumstances. The government is undertaking an analysis of the rail option itself for a tourist train, and we will be considering much of the ongoing costs that are associated with operating the railway to assess the viability of the rail for any other purpose other than hauling freight. That has not been reviewed in great detail in the past.

#### Question re: White Pass Railway

**Mr. Phelps:** The reason for the first question was because of remarks attributed to Tom King, White Pass President. He said that upgrading the railway right-of-way would have been no more than \$10 million needed to reduce the grade on two bad hills to permit longer and faster trains.

In view of those comments by Tom King, is it still the intention of the government not to reopen the comparative cost study?

**Hon. Mr. McDonald:** We are going to review the costs associated with operating the railway. We have a fairly clear indication that the use of the railway would not be economical by operators who would be using the corridor to haul freight.

One of the costs associated with hauling freight is not simply the capital cost of upgrading the rail or the road, but would be the ongoing O&M costs associated with the handling of freight, et cetera. That is one significant factor that led to the truck-rail option not being considered by either Curragh or ourselves as a viable option.

The fact the trucks had to transfer goods to a train in Whitehorse and the short distance associated with the rail route compounded costs, and that made it very difficult to operate. Because the O&M costs associated with the transport of freight was very high, we had to review the overall picture — the capital costs and the O&M costs associated with hauling freight — when we made our decision.

**Mr. Phelps:** The study of the railway has been mentioned several times in the House by the Minister with regard to the tourist operation. That, of course, would bring about quite different figures with regard to capital costs because hauling tourists does not require changing the grades on the track. Would the Minister not agree?

**Hon. Mr. McDonald:** As a layman, I would agree with a proposition such as that. If I were to make any conclusive statement about that, however, I would have to review it with some experts in the field.

**Mr. Phelps:** Can the Minister advise the House when that study will be completed by government? Will it be tabled in the House?

**Hon. Mr. McDonald:** I would hope that the study would be completed by early summer. I could undertake to have the study tabled in the fall Session or, if we are still sitting, in this Session.

#### Question re: Cabinet documents

**Mr. Coles:** Has the Government Leader's internal investigation into the stolen Cabinet documents uncovered anything that may help ascertain where the leak may have developed?

**Hon. Mr. Penikett:** If it has, I hope the Leader of the Liberal Party would understand that it would not be prudent for me to indicate so in the House at this point.

**Mr. Coles:** Has the Government Leader, at this time, called in the RCMP to help in the investigation?

**Hon. Mr. Penikett:** I do not think it is going to be a very effective investigation if I announce all the details of it on the floor of the House. I would rather not get into that kind of information at

this point. When I have some conclusions on the investigation, I will report them to the House.

**Mr. Coles:** We are not asking for details. We are simply asking if the Government Leader has uncovered enough evidence to actually call in the RCMP to help with the investigation.

**Hon. Mr. Penikett:** I will take the question as notice.

#### Question re: Alaska Highway weight restrictions

**Mr. Lang:** In the past couple of months, has the Government of Yukon made representation on the effect of a load weight restriction on the BC section of the Alaska Highway, as far as the economy in the territory is concerned?

**Hon. Mr. McDonald:** The Yukon Transportation Association and I have met and discussed the practical effect of weight restrictions on all highways, including the federal highways. They have made the representation that, while they see the weight restrictions as being necessary because of the impact of heavy trucks on roads at a particular time of the year, it is their opinion, and this government's, that they be kept to an absolute minimum.

I have discussed that with the Department of Highways, and they, and the Department of Public Works, have discussed the situation between themselves. It is our position that when weight restrictions are considered necessary, that they be kept to a minimum.

**Mr. Lang:** Did the Minister make representation to the proper authorities that the requirement for these weight restrictions should be reviewed, in view of the 10 to 20 percent increased cost on consumer goods that everybody in the territory is going to feel? If the representations have been made, when?

**Hon. Mr. McDonald:** In order for me to answer a question such as that, it would be necessary to know what kind of representations the Member is speaking of. The fact that weight restrictions are considered necessary because of the extreme damage that heavy trucks can do to a road, because of weather conditions, is a factor that has caused the roads to be designated for lighter loads during specific times of the year. That is the way it has been in previous years, and that is the way I would presume it would be in the future.

There are costs associated with having trucks lighten their loads for those periods. If the Member is suggesting that, in some way, we should risk the integrity of the roadbase because of our desire not to put on weight limitations, then he should say so, and then I could respond to that.

**Mr. Lang:** Could the Member answer my question. Indications were given, I understand, approximately ten months ago that major weight restrictions would be put on the Alaska Highway on the B.C. section of the road. Did the Minister take an active role in making representation to the proper authorities to see whether or not those weight restrictions could be less than what they are today? We are getting a 10 to 20 percent increase in freight charges. Did he make representation with the expertise that he has within the Department of Highways and in conjunction with them at the political level?

**Hon. Mr. McDonald:** If the Member is asking whether or not I had direct consultation with the Minister responsible for Public Works in Ottawa, the answer is no. The feelings of this government have been expressed adequately to the Department of Public Works and it is in everybody's interest to exercise weight restrictions when absolutely necessary and for no longer a period.

#### Question re: Corporal punishment

**Mrs. Firth:** My question is to the Minister of Education. Can he tell the House what the policy is regarding corporal punishment and whether or not the strap is still being used in schools?

**Hon. Mr. McDonald:** I believe I have already outlined the policy on corporal punishment once in Question Period. It has not changed from previous years. It is my understanding that the strap is used on occasion. Whether that is considered advisable is determined in each case. The policy is that the principal is given the authority in consultation with the school committees and generally it is my understanding that parental approval is required.

**Mrs. Firth:** Can the Minister tell us how much the strap is being used? In light of the fact corporal punishment is a very

controversial issue right now, is his department monitoring this right now?

**Hon. Mr. McDonald:** The Member is quite correct. The use of corporal punishment and the use of the strap is quite controversial. I do not know whether the strap is being used more or less than previous years. The fact that it is used has come to my attention only once this year.

**Mrs. Firth:** At the Annual School Committee Conference this weekend, the F.H. Collins School Committee proposed a resolution that the Department of Education School Committees and the Education Council take steps immediately to establish a committee that shall develop a discipline policy. Is the Minister prepared to establish such a committee?

**Hon. Mr. McDonald:** The resolution was only passed a couple of days ago, and I have not had a great deal of time to deal with the intent of the resolution with the department. Certainly there are complexities associated with the use of corporal punishment and discipline in general in the schools. We will consult with the Education Council and the school committees irrespective of whether or not there is a special committee struck.

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#### Question re: Wood bison

**Mr. Brewster:** Can the Minister of Renewable Resources tell me that when the buffalo were transplanted from Elk Island to the Yukon, were they given a clean bill of health prior to being loaded and transplanted up the highway?

**Hon. Mr. Porter:** The wood bison that were transplanted were healthy animals.

**Mr. Brewster:** Do these animals currently have any parasites or disease? If so, what is being done about it?

**Hon. Mr. Porter:** I have not received any information that would suggest that the animals are parasitic. For the most part, almost all living things do have one form of parasite or another. As to whether or not it is of the degree that would cause us concern, that has not been expressed to me.

**Mr. Brewster:** If these animals had any parasites, what would the Minister be doing to see that this is not transplanted into our natural animal population in this area?

**Hon. Mr. Porter:** I think that the logical course would be for us to consult with Canadian Wildlife Services and with Elk Island to adopt a control measure that they have. It is a routine process at Elk Island, where they give baths with the necessary chemicals to assist the animals in combating parasites. If we did find a case where we had some problems we would bring the experts in to advise us, and to set up the necessary processes and procedures.

#### Question re: Cabinet documents

**Mr. McLachlan:** The RCMP have clearly indicated, if they ever get a chance to get involved, that they could be of some assistance in using the practice of fingerprinting to assist in an investigation.

Would the Government Leader give permission to have senior members of the civil service fingerprinted if it would assist in the investigation?

**Hon. Mr. Penikett:** I am not sure, as a matter of law, whether or not my permission would be required, or even asked for, if fingerprints were necessary and useful in conducting an investigation such as the Member is asking. It is an interesting question, and I will consult the Minister of Justice to see if my permission is required, although I do not see why it would be.

**Mr. McLachlan:** If it is of any concern to the Government Leader, certainly we, on this side of the House, would give our consent to clearing any documentation with the use of fingerprints. Has the Government Leader ever considered asking Members of the Legislative Assembly to submit to fingerprinting if that were required?

**Hon. Mr. Penikett:** I am pleased to hear the Member for Faro speaking on behalf of all the Members opposite in offering to have their prints taken. I am somewhat surprised to hear the offer extended on behalf of both the Liberals and the Conservatives.

There is probably a nice question of privilege involved here. I think that in respect to Members of the Legislature that that

question is a little difficult. Some years ago, before the Member opposite was a Member, there was a case here involving police intrusion on the precincts of the Legislature, to which the Legislature took a very dim view.

I think the decisions of the Select Committee of that day would have to be examined before the authorities in this House could be encouraged to conduct an investigation in the Legislative precincts.

**Mr. McLachlan:** If it is a serious offence for a government employee to leak confidential Cabinet documents to anybody, surely it is just as serious an offence for any Member of the Assembly, of any party of this House, to be in possession of documents that the Government Leader has very blatantly referred to as stolen, even to the point, if it could be proven, to having that Member resigning his or her seat.

Does the Government Leader subscribe to that condition of British Parliamentary tradition of Members who are found to be in possession of such stolen, confidential Cabinet material to resign his or her seat?

**Hon. Mr. Penikett:** I do not believe that what the Member is spouting is necessarily a British Parliamentary tradition. There are two questions here. Should a Member of this House suffer a criminal conviction for being in possession of stolen property, or any other kind of criminal conviction, there might be some pressure on that Member to leave this Chamber, although I do not believe there will be any such requirement in law, of necessity. There have been cases where a Member, having had a criminal conviction — in Saskatchewan recently — was actually expelled by the Legislature.

The other question, of access to Cabinet documents, is a different one. There are Members on this side of the House, and on the other side of the House, who swore an oath of office. Some former Cabinet Members opposite swore an oath of office not to reveal any information that came to them by way of their office. If someone were to violate that oath, that trust, then serious consequences would flow from that. There are two separate issues.

#### Question re: Young offenders facility

**Mr. Phillips:** The Minister of Health and Human Resources said last week, "I will continue to pursue all feasible options with a determination to find solutions."

Can the Minister tell us if the government is going to build a new facility, and, if so, where are they going to build it?

**Hon. Mrs. Joe:** That decision has not been made yet.

**Mr. Phillips:** In view of the very short construction season in Yukon, and the urgent need to have such a facility, when does the Minister anticipate a decision will be made?

**Hon. Mrs. Joe:** Very shortly.

**Mr. Phillips:** The Minister has decided, just recently, in that same statement, not to use the Whitehorse Assessment Centre. The costs there were estimated at approximately \$15,000 for renovations. Does the Minister have any new idea what the new estimates would be from her department, since they are looking at either buying or renovating a facility for closed custody?

**Hon. Mrs. Joe:** We do not have that information, because we do not yet know what we are going to do. We would have hoped that we could have used the existing facilities, and that would have alleviated a lot of the problems. However, there were problems in trying to do that.

#### Question re: French as a Second Language Program

**Mrs. Firth:** At the school committee conference this weekend, the school committees that are involved with the school and participants of the French as a Second Language pilot program, grades one to four, made representation regarding the evaluation that was being prepared. Is the Minister of Education going to be sharing that evaluation of the pilot program with those school committees, and with the Members of this Legislature?

**Hon. Mr. McDonald:** I will take the question under advisement.

**Mrs. Firth:** The school committees were also making recommendation regarding a busing study that had been done within the department regarding safety and the various busing routes, both urban and rural. Is the Minister prepared to table the busing study

that was done?

**Hon. Mr. McDonald:** I believe the form of the study was not so much a booklet that is publishable, but was the result of numerous investigations in various parts of the territory and an analysis of safety, et cetera. It is not, I would think, a publishable document. If much of the information can be tabled or imparted in some other way, I would certainly undertake to do that.

**Mrs. Firth:** Also at the School Committee Conference there were various comments made about the speech the Minister gave at the conference. Is the Minister prepared to table the speech that he gave?

**Hon. Mr. McDonald:** Of course.

#### Question re: Cabinet documents

**Mr. Coles:** I have a question for the Government Leader. Last Thursday in Question Period, when I asked the Government Leader if he would be prepared to call in the RCMP, he informed the House that he intended to complete an internal investigation first. Can the Government Leader tell us when he ordered the investigation?

**Hon. Mr. Penikett:** Within about 34 seconds of it coming to my attention that there had been a leak.

**Mr. Coles:** On March 20 and April 1 and 2, the Member for Porter Creek East brought forward concerns to the House that were highlighted on page 30 of the stolen document. Did the Government Leader not see a similarity at that time between the document and the Member's words?

**Hon. Mr. Penikett:** A certain newspaper in town has noted the similarity between utterances of Members of the House in terms of subject matter and the subject of a certain leaked document. I find it remarkable, but I cannot draw any conclusions from that.

**Mr. Coles:** I also find it very coincidental, now that the issue is focusing on a source rather than on the stolen document content itself, that the Tories seem to be once again very silent, and it brings back memories of the so-called budget leak from last fall. I wonder if the Government Leader believes that any Members of the Opposition had possible access to this document before the press?

**Hon. Mr. Penikett:** If I believed that a Member of the Opposition had improper access to Cabinet documents at this stage I would certainly be taking steps to remedy that. Of course, I am not a lawyer and never have been nor ever will be a judge, so I do not know what would constitute evidence of that. If I have a reasonable suspicion that that were the case I would certainly act on it.

#### Question re: Furniture, locally made

**Mr. Lang:** It is interesting to see the other opposition party turn the attention they want to focus in conjunction with the government, and at times we do they have to wonder what their true responsibilities are.

I would ask the Minister of Government Services a question. There seems to be a misunderstanding on the Ministerial Statement given last week on government furniture. Could he clarify for the record whether \$176,000 of the \$226,000 is going to be utilized for executive furniture?

**Hon. Mr. Kimmerly:** There will be a contract for the supply of executive furniture, and a standing offer for the supply of the other furniture. It is my information, now, that the contract for executive furniture should be \$169,500.

**Mr. Lang:** Who is going to get the executive furniture?

**Hon. Mr. Kimmerly:** That is not finally determined but, at least, the people who would get it in the normal course of asking for either new furniture for new positions or replacement furniture, will be the senior people in the government. Technically, there are categorizations by policy, and it is classes one to six.

**Mr. Lang:** Have the awards been made to the individual contractors as of today?

**Hon. Mr. Kimmerly:** I do not know for sure, but the decision to accept the low tender and negotiate the contract has been made. The signatures on the contract are an administrative matter. They may have occurred, but I doubt it. It would probably occur in the next week or so.

#### Question re: Young offenders facility

**Mrs. Firth:** I have a series of follow-up questions of request for information. One is for the Minister of Health and Human Resources regarding the young offenders. The Minister told the House that she would table the three studies done. Will the Minister be tabling these studies this week, so we can be using them in the O&M debate?

**Hon. Mrs. Joe:** I have read them, and they are quite lengthy. I will table them if the Member wishes.

#### Question re: Population figures

**Mrs. Firth:** I take that as a commitment from the Minister to table them this week. I have a follow-up for the Government Leader from March 24, regarding a clarification in population figures. Is the Government Leader prepared to give us the correct population figures this week for the O&M debate?

**Hon. Mr. Penikett:** The Member asked a number of questions on that score, and I am prepared to answer those questions in general debate on the Main Estimates this afternoon, if we get to them.

#### Question re: Faro housing

**Mrs. Firth:** I also have a further follow-up question for the Government Leader regarding the process as to how the trailers at Faro are going to be sold. The Government Leader gave us a commitment that he would come back with the final answer because he could not give us a final answer then. Is the Government Leader prepared to give us that answer either today or this week in the Legislature?

**Hon. Mr. Penikett:** I believe it is our intention to give the answer to the Member at the appropriate place in the Main Estimates, when we get to it.

#### 12 Question re: Janitorial services

**Mr. Lang:** Has the Minister of Government Services and the Leader of the Liberal Party got together to discuss when the study on the janitorial services for this building, such as they agreed to, would take place?

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

**Mr. Lang:** Is it the Minister's intention, within the next week, to release the terms and conditions of such a study of looking at this building?

**Hon. Mr. Kimmerly:** When the terms and conditions are finalized, I have no objection at all to tabling them. I will do so. We are not anticipating a substantial expense. We will do most of the study, if not all of it, in-house.

**Mr. Lang:** Since some time has gone by, when does the Minister intend to have these terms and conditions done for tabling? It has been an issue, and it is one that we should be addressing soon.

**Hon. Mr. Kimmerly:** When the Session is over, and I have time to look at all these questions.

#### Question re: Macaulay Lodge

**Mr. McLachlan:** How does the Minister of Health and Human Resources rate priority in deciding who goes into Macaulay Lodge, when the building is literally full of people, and there are a number of applications that cannot get in there. How does the Minister determine who goes in?

**Hon. Mrs. Joe:** I am not sure if I can answer the Member's question right now, but we do have a problem. They are doing renovations. We have a number of people who want to go into Macaulay Lodge at this point of time, and the renovations are not finished yet. When the renovations are done, we will have room to accommodate more senior citizens than we have right now.

**Mr. McLachlan:** I do not know if it is implied in the answer that that will look after all the needs. What I am trying to establish is, when you have a new applicant, a new entrant into the system, who cannot live at home because of some mental or physical impairment, how do you get them into the old folks' home when there is no room available? Do you farm them out? Do you ask someone else to help? When Macaulay Lodge is full, which I

anticipate it will be, what do you do?

**Hon. Mrs. Joe:** We do have a great need for those kinds of services. At this point in time, we would normally use the hospital, if those services were absolutely necessary, and we could not get that person into Macaulay Lodge. I am not sure whether or not we would go to the extreme of moving somebody out to move somebody else in. The hospital is there and the hospital does accommodate those individuals when we do not have room, if that service is absolutely necessary.

**Mr. McLachlan:** I trust that the idea of a homemakers program, that we heard about during the Budget Speech, is designed in some way to take some of that pressure off. In the absence of institution of that program, does the government of the day have any plans to continue with more buildings, or a building program, such as Macaulay Lodge, to accommodate more senior citizens, in the near future?

**Hon. Mrs. Joe:** We are hoping that, when some of the renovations are done, we will have more beds. In the meantime, we are taking advantage of a homemakers' plan in the interim, as we wait for our budget to go through, so that we can go right into that program.

In the design of the new hospital, there is a proposal to have that kind of care provided in that institution, when it becomes available. In the meantime, we are hoping that, when we have Macaulay Lodge finished, we should be able to accommodate all those people who need to be there. If it is not doing that, then we will definitely have to look at something else. We do still send some of our people out into institutions in BC, but I do not think we would like to do that unless we absolutely had to.

#### **Question re: Cabinet documents**

**Mr. Coles:** We may not have a lot of experience in the House, but we still do believe that one responsibility of the opposition is to question the government on what we might see as serious breaches of security within the government. Does the Government Leader not see this as a responsible task of the opposition since he has more experience than any of us on this side of the House?

**Hon. Mr. Penikett:** Yes.

**Mr. Coles:** Last fall, we had questions on the budget leak, and in a letter from the RCMP it was said that the Minister of Justice must be convinced that there has been a breach of security before they would come into the investigation. Perhaps the Minister of Justice could tell us today if he believes that there has been a breach of security within the government?

**Hon. Mr. Kimmerly:** There is an investigation going on to determine that. The results of the investigation are not known to me.

**Mr. Coles:** There has been a 35-page government document leaked. I am wondering if anybody on the opposite side can tell me whether or not there has been a breach of security within the government?

**Hon. Mr. Penikett:** Let me be perfectly clear on this. It is not a question of whether or not anyone believes it. Everybody on this side believes and knows that there has been a breach. There is a Cabinet document that was mailed to two local newspapers recently. Extracts from it have been quoted in local newspapers. Given that the document came to Cabinet two months ago, there is a reasonable probability that someone else, person or persons unknown, had it in his possession for the interim period.

**Speaker:** Time for Question Period has now elapsed.

## **ORDERS OF THE DAY**

### **GOVERNMENT BILLS**

#### **Bill No. 30: Second Reading**

**Clerk:** Second reading, Bill No. 30, standing in the name of the hon. Mr. Penikett.

**Hon. Mr. Penikett:** I move that Bill No. 30, entitled *Interim Supply Appropriation Act, 1986-87 (No. 2)*, be now read a second time.

**Speaker:** It has been moved by the hon. Government Leader that Bill No. 30, entitled *Interim Supply Appropriation Act, 1986-87 (No. 2)*, be now read a second time.

**Hon. Mr. Penikett:** The purpose of this bill is to provide interim monies for the O&M expenditures of the government for the months of May and June, and is in addition to the *Interim Supply Act, 1986-87* previously passed.

The expenditures expended for May and June will not necessarily equal two-twelfths of the total appropriation request for the year because of the unevenness of the government's expenditure pattern. Examples of the reasons for this unevenness are the payment in advance of grant monies, extraordinary starting-up costs for summer maintenance, et cetera.

This appropriation will be subsumed in the appropriation for the O&M Main Estimates when that bill is signed as law.

We are proposing the interim supply for two months. I believe we are being slightly optimistic in doing that. We spent 18 sitting days on Bill No. 17, *Fourth Appropriation Act, 1985-86*, which normally passes in this House in one to four days, the average being two.

The more conservative Members of our caucus, based on the normal time for a O&M Mains debate, have suggested that really we should budget for a 27-week debate on the Main Estimates. Therefore, we should have an interim supply based on that projection. The more progressive view on our side prevailed. We are proposing here a two-month interim supply bill on the assumption that much of the debate that we have endured in the last few weeks was really about the Mains and not about the supplementaries, and therefore we will not have to repeat it.

**Mr. Lang:** I just wanted to say to the Members Opposite — and I would like to say it to the Leader of the Liberal Party, but it is impossible at this time — that our party will give the bill speedy passage. I do not look at public debate in the context of endurance as reiterated by the Government Leader.

There are a number of outstanding issues that have come forward from the supplementaries. I trust the Ministers will bring answers to our representations when we get into the Main Estimates to make the debate worthwhile and speed up the process to some degree. That has, at times, been our difficulty with respect to the debate at hand. Sometimes, some Ministers are coming in, in some respects, unprepared. We find ourselves asking questions, but when we have to wait until the next day for answers, it puts us at a disadvantage in our role as opposition in gleaning the information for the public as to the expenditures of public money.

So we will do our best to speed legislation forward, just for the record. I would like to welcome the Liberal Leader back into the House. In conclusion, we look forward to a fruitful and constructive debate as far as the Main Estimates are concerned.

**Mr. McLachlan:** That was a valiant attempt on the part of the Member for Porter Creek East to explain away the problems of the last five or six weeks, but it does not wash. We will be giving the supplemental spending bill our passage so this government may continue to pay its ongoing costs from Thursday of this week.

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker leaves the Chair*

## **COMMITTEE OF THE WHOLE**

**Chairman:** I will call Committee of the Whole to order. We will now recess for fifteen minutes.

*Recess*

<sup>15</sup> **Chairman:** The Committee of the Whole will now come to order.

We are on Bill No. 30, *Interim Supply Appropriation Act, 1986-87, (No. 2)*.

**Bill No. 30 — Interim Supply Appropriation Act, 1986-87, No. 2)**

*On Clause 1*

**Hon. Mr. Penikett:** As I mentioned at the second reading, the amounts in this bill are not exactly two-twelfths of the total appropriation requested for the year for various reasons. I would like to indicate to the Members how the money breaks down for May and June, if that is useful, and to give a brief explanation of why we are projecting these amounts.

For the month of May: Legislative Assembly, \$155,000; Executive Council Office, \$340,000; Community and Transportation Services, \$4,500,000; Economic Development: Mines and Small Business, \$341,000; Education, \$3,751,000; Finance, \$205,000; Government Services, \$981,000; Health and Human Resources, \$3,910,000; Justice, \$4,430,000; Public Service Commission, \$259,000; Renewable Resources, \$485,000; Tourism, \$400,000; Women's Directorate, \$18,000; Loan Amortization, \$15,000.

For the month of June, Yukon Legislative Assembly, \$134,000, and that is slightly lower than the amount for May, and is based in part on the expectation of the Clerk's office that the session may be over in June. That number could be wrong, though, we concede. The Executive Council Office, \$340,000; Community and Transportation Services, \$4,500,000; Economic Development: Mines and Small Business, \$341,000; Education, \$5,838,000. That is a larger sum than for May. It is made up of teacher and custodial payments, books and supplies that were ordered in this payment. Finance is \$193,000, and that is because of the reduced allocation for the Homeowners' Grant.

<sup>16</sup> On Government Services, \$981,000; Health and Human Resources, \$2,790,000; Justice, \$1,430,000; Public Service Commission, \$259,000; Renewable Resources \$485,000; Tourism, \$350,000; Women's Directorate, \$20,000; Loan Amortization, \$60,000.

**Chairman:** Is there any further general debate?

**Hon. Mr. Penikett:** If it is agreeable to the other side, I agree to have Schedule "A" deemed to be read.

**Mr. Lang:** We would concur with that.

**Chairman:** Is there unanimous consent?

**Some Members:** Agreed.

*Schedule A deemed to have been read and agreed to*

*On Clause 2*

*Clause 2 agreed to*

*Clause 1 agreed to*

*On Title*

*Title agreed to*

**Hon. Mr. Penikett:** I move that you report Bill No. 30, *Interim Supply Appropriation, 1986-87 (No. 2)*, out of Committee without amendment.

*Motion agreed to*

**Bill No. 5 — Second Appropriation Act, 1986-87**

**Chairman:** Bill No. 5, *Second Appropriation Act, 1986-87*, general debate.

<sup>17</sup> **Hon. Mr. Penikett:** If I can pick up on one note that arises from questions asked when we began general debate on this bill some weeks ago, about the population estimates, on April 1 there was some discussion about population assumptions used to prepare various departmental budgets for 1986-87. I would like to report that, consistent with past practice, no generalized population assumption has been used in the preparation of the Estimates. The reason for not doing so is that most government revenues and expenditures are not dependent upon raw population changes, but rather depend upon government priorities and shifts and a number of demographic factors such as age, mix, income patterns and educational backgrounds, et cetera.

For instance, in 1985, the Yukon population was eight percent higher than in 1983, but the number of public school students was

one percent lower. Where the population is a factor in the department's budgeting, the department will use its own estimate with variations according to particular program requirements.

There is also a continuing inconsistency between population figures prepared by Statistics Canada and Yukon Health Care statistics. Neither source is necessarily more valid than the other, depending on the nature of the expenditure involved. Thus, the judgment of what is the most relevant evidence on which to base an estimate of the financing required for each program is left to the individual program managers in collaboration with their respective departmental supervisors.

The Member for Riverdale South, particularly, was interested in the Yukon population estimates for the coming year. It is projected, though we cannot do this with confidence, based on a 2.7 percent growth in nine months, that there will be a three percent growth for the 12 months of 1986.

<sup>18</sup> I would emphasize that that is only an estimate.

**Mrs. Firth:** If I could just follow up on the population figures, I heard the Government Leader refer several times in the Budget debates that certain revenues were based on increases in population figures. From the information he has just given us this afternoon, it gives me the impression that those figures are rather unstable. Would the Government Leader not agree that the conclusion that one would arrive at is that the estimates for revenues could also be considered rather unstable as well?

**Hon. Mr. Penikett:** I believe that the last time we talked about this the Member was talking about one estimate on revenue we were discussing that was based on three percent growth in our population. At this point, and you understand that this is a more recent figure than we had when the budget was put together, we now believe the population will grow slightly faster than that. The revenue indications, if they do correlate the way we think they do, will be slightly higher than we expect.

**Mr. Lang:** These figures do not make any sense then. In deference to the Minister, on page 6 of the Estimates, on property tax, I would ask the Minister to justify to us why school and property estimates are \$3.4 million for 1986-87, yet in 1985-86 we voted, in the supp, \$3,570,000 for recoveries? There has to be some answer there with respect to why we are projecting a \$30,000 increase, when we are not increasing school tax, nor are we increasing property tax, according to the press statements made by the Minister of Community and Transportation Services.

**Hon. Mr. Penikett:** Somewhere, I have an explanation for the way that number was calculated. If the Member will bear with me, I will get it.

**Mrs. Firth:** I think the point that we were making, as opposition, when we first started talking about the population figures, is just what the Government Leader has said this afternoon. Certain inconsistencies present themselves. That was what we found when we went through the budget.

I believe I specifically raised the point about how one department has presented virtually a zero population increase, yet the Government Leader was basing his revenues on other population increases. The Member for Porter Creek East has raised another inconsistency.

My concern is that the Government Leader is predicting a certain amount of revenue, based on population increases, and yet we cannot get a definite number that they are basing that revenue increase on.

<sup>19</sup> Is there a definite number? Two point seven percent? Three percent, or whatever, even though the Government Leader keeps saying that it does not matter, because it is going up all the time so the revenues will be going up all the time.

**Hon. Mr. Penikett:** The most recent number I have, which is a number we had run since this budget was prepared and tabled, is that we project, for the calendar year 1986, a growth in population of 3.6 percent. That is a projection.

The Member for Porter Creek East was pursuing the question he first raised on March 24 when he questioned the difference of \$100,000 between the Main Estimate figure for 1985-86 and the figure for 1986-87 on the property tax. I think he pursued it again on April 1 where he asked why there was so little change for the two fiscal years. In 1984-85, the actual property tax was



\$3,359,000. In 1985-86, the Main Estimate was \$3,000,570. This estimate was based on the Yukon Assessment roll, which still included some assessments for the five new municipalities. The forecast was based on a revision of the earlier assessed information.

The forecast of \$3,000,000 is down from that. The 1986-87 Main Estimate is \$3,407,000, and this is based on the December, 1985 assessed values and the weighted average general rates and school rates for 1985.

**Mr. Lang:** I just want to pursue this area a little bit more. I understand that element. I understood that Dawson City had accumulated a reserve because the school tax was not collected for a period of time. Is that reflected in this budget, and, if so, how much?

**Hon. Mr. Penikett:** The estimate we have for school taxes owing to us is built into this budget. The fact that Dawson City has not paid is not accounted for on the revenue side.

**Mr. Lang:** Could he go over that again? Is it in the budget, or is it on the revenue side that you are going to collect it this year?

**Hon. Mr. Penikett:** We expect to collect it in the revenue side this year. They have not paid us; they still owe us that money, and we will be trying to collect it.

**Mr. Lang:** How much are we talking about? Forty thousand? Fifty thousand? Ten thousand?

**Hon. Mr. Penikett:** One hundred and eighty thousand dollars.

**Mr. Lang:** Was that particular money identified in the previous budget, as well as in 1985-86, so there were some similarities?

**Hon. Mr. Penikett:** It has been identified, but still uncollected. I believe, if we collected it now, it would still accrue to the previous year for which it was due in terms of the adjustments on our books.

**Mr. Lang:** Do I take it that, in collecting that money, whatever interest that has accrued to that sum of money will be incorporated in there as well?

**Hon. Mr. Penikett:** We will be trying to collect interest, yes.

**Mr. Lang:** When Faro stopped operating as a mine, did our assessment not go down in view of the fact it was not operating, and, subsequently, the amount of money owing would be less? Is that not part of the *Taxation Assessment Act*, the regulations and the manual? If so, I would like to know what the difference is, because this should show a dramatic increase if they are getting half again the amount of money projected from Cyprus Anvil.

**Hon. Mr. Penikett:** I caught the Member's first question, but I am not sure of the second one. Yes, they were reflected, and they are reflected in terms of the town coming back on stream.

**Mr. Lang:** This has to do with the mine itself. My understanding is that if a mine is not operating, it is assessed at half value under the assessment manual for the period of time it is not operating. These figures are so close to one another. In 1985-86 it was not working, in 1984-85 the actual mill and mine property were not working. Has that increased revenue been figured into this particular item, assuming it is going into operation?

**Hon. Mr. Penikett:** Yes, it has been calculated in, but the reason for the change we previously discussed is primarily the creation of the five new municipalities.

**Mr. Lang:** This is getting more confusing. Maybe I should be dealing more with the Minister of Municipal and Community Affairs. How much is involved here? When the mine is not operating, it is assessed at half value; when it operates, it is full assessment. What difference does that make in the YTG coffers, because it is out and beyond the municipalities in question?

**Hon. Mr. Penikett:** I do not have the exact dollars in front of us, but I will table for the House the actual consequences of the five new municipalities taking that assessment out of our roll and adding it to theirs and the other consequence of the mine not functioning and then coming back on stream now.

**Mr. Lang:** I appreciate that. As far as the new municipalities are concerned, my understanding is that transfers and any loss of revenue are not going to make any difference to this budget, because the only one we had was an extension to Watson Lake and that was reflected in last year's budget. I think the Minister will find that it is not relevant as far as this particular section is concerned.

What effect is the transfer of the approximately \$7 million of capital block funding at April 1 of any given year going to have on your investment section of the revenues? It is going to be significant, if you take \$7 million out that you no longer have for investment purposes. Have you calculated that, and, if so, what is the amount?

**Hon. Mr. Penikett:** I am not sure if we calculated it in those terms. A much more significant calculation of the investment money we have available depends on how much reserve we have at any point in time, but I will be pleased to look at that question with the Finance Office to see if a calculation has been done.

**Mr. Lang:** I would have thought that that calculation would have been done, in view of the decision to go to block funding. We are dealing with a significant amount of money, I would think in the neighbourhood of \$7 million to \$10 million, depending on political decisions as far as quantity is concerned. It is important on the revenue side to see exactly where we are going to be with respect to this particular area. I will now turn it over to some of the other Members.

**Mrs. Firth:** I would like to get more general in the debate. I would like to ask the Government Leader to respond in a general and, perhaps, in a somewhat philosophical sense, about the direction that he is intending to go in policy development, what he is planning for the Yukon Territory, what he is planning for the change and the mark he is going to make on Yukon society with his government.

I recognize that this budget is different than the last one was, and that the Government Leader can now claim that this O&M Estimate is going to be the first true NDP budget. I am sure we will be wanting to talk about the mark the Penikett government made on society with their budget.

I would like the Government Leader to respond in a general sense, and tell us what he has done in this budget to make his distinctive mark, and elaborate a bit on how the Yukon is going to change after this budget is implemented.

**Hon. Mr. Penikett:** I am pleased to do that. It was a long time ago, as the Member for Riverdale South will recognize, but the agenda for this government was, in the main, laid out in the Throne Speech, which we heard on March 13, and further elaborated on in the Budget Speech, which came a few days later.

The Budget Speeches, in the early years of party politics in this Legislature, were not significant policy statements. Most of them were fairly brief, and simply outlined some of the new initiatives.

As I have said before, one of our key bottom lines is job creation. We are also committed to economic recovery and diversification, as well as improving the quality of life for Yukon people.

We have, in this budget, as I think I explained in the budget debate last fall, a significant number of new initiatives. There is, in any budget, notwithstanding the observation of the Member for Riverdale South about the new direction and new government, only a limited amount of discretion. There are certain kinds of statutory obligations on the government, which are ongoing. The flexibility or the discretionary ability of the government to profoundly change direction has already been noted. Many of the programs in Economic Development, for example, which we will discuss when we get to that estimate, are new. We think they will have some benefit.

Many of the jobs initiatives that the government is taking about are reflected, we hope, throughout the government, but are largely being delivered in the departments that are economic departments.

We have begun to take some social policy initiatives. The Homemakers Program is the most significant one that I can think of. We are looking at a new emphasis on training in this government.

A number of initiatives by the Department of Education will be focussed on making sure that Yukoners, and young Yukoners in particular, are prepared for the economic opportunities as they are developed.

In the Public Service Commission there is also new amounts for training so that we can pursue our commitment for local hire by making sure that not only under-employed groups can get into the public service but that people who are in the public service can

develop their skills here and find promotion and new career opportunities with the largest employer in the territory.

While it was a long time ago, I think that the major policy direction for the government was laid out in the Throne Speech, and then elaborated upon in the Budget Speech. I expect we will be talking about many of the particulars, the new expenditures, the Office of Devolution and so on, when we get to those particular items in the budget.

**Mr. Phelps:** We have a situation here where the increase in total spending by this government, with this capital budget and the O&M budget, is rather remarkable: it is some 32 percent. We also have a situation since the 1984-85 budget, where there has been an increase of eight percent in person-years by 119 or 120. There has also been an increase of 16 percent in overall administration.

We have a situation, too, where the government has cut taxes such as the fuel oil tax. The government intends to cut the medicare premiums, to abolish them completely. We have the situation, too, where the Formula Financing Agreement itself means a short-fall again on the revenue side.

My understanding, from previous debates and discussion of the finance paper stories in the press and so on, is that the Government Leader has ruled out tax increases in the foreseeable future, in the next year or so. Is that correct?

**Hon. Mr. Penikett:** As I have emphasized before, with respect to revenue for this year's budget, which is what we are debating, the only tax increases that the government is contemplating are already law.

**Mr. Phelps:** I am rather interested in that answer. I wonder if the Government Leader could be more specific or if he chooses not to be. Certainly from Question Period the last day in the House and previous discussions with regard to the potential for tax increases, my understanding was that the choice of the Government Leader seemed to be that of holding the line on tax increases. We went through all the possible taxes under the jurisdiction of this government. The choice was to hold the line on tax increases and use the surplus monies. Were we misinterpreting what the Government Leader said?

**Hon. Mr. Penikett:** That is my choice. I think only a fool would allow more than a general discussion on a budget for next year or the year after that or the year after that. A government must, and will, make decisions in each budget year that are based on the needs of the day and of the year.

<sup>23</sup> As I said before, I do not, at this point, contemplate any of the menu of tax options that the Member was quoting to us from the stolen document the other day. The options, as presented to the Cabinet this spring, were considered. The conclusions were made and presented in the budget that came before this House last month. The revenue side of the budget, which has been debated at some length, is already law.

**Mr. Phelps:** With respect, there has been an impression left, I would say, deliberately by the Government Leader that there is no real risk of a tax increase, and we have gone through that. Certainly, the impression in the public's mind — and I think this is important, given the present investment climate in Canada, and then the hopes we have of seeing more investment in the non-renewable sector, in particular, in Yukon — that the intention of this government was to reject the option of raising taxes in the future because we had a large surplus, and to pay down that surplus to offset that reduction in revenue. If the Government Leader feels that that impression was an incorrect one, would he say so, because I think it is an important issue?

**Hon. Mr. Penikett:** Let me emphasize, again, that I do not believe, in the foreseeable future, that any of the tax measures outlined by the Member opposite, when he was quoting the stolen document the other day, will be necessary. When he is talking about creating impressions, Members opposite have tried to create the impression that this territory has a deficit, or is about to have a deficit. Of course, that is an entirely false impression.

**Mr. Phelps:** We can dance around with this, but there is a short-fall in revenue as a result of limited tax increases, which we can discuss a little later. There is a definite short-fall. The short-fall is pretty straightforward. It stems from the fuel-oil tax adjustment,

the medicare premium abolishment proposed, and the clause in the Formula Financing Agreement with regard to the inflation adjustment. We have gone through that many times. It is a pretty straightforward picture. Again, the options with regard to the various kinds of taxes are finite, it would seem. The impression conveyed is that there is no intention to raise any of those taxes in the foreseeable future. I am just not sure if the Government Leader has now changed his mind, or if truly he has no intention. It seems that it would have been appropriate and fair to the taxpayers of Yukon that any such intention would have been signalled during this session.

**Hon. Mr. Penikett:** The Member opposite might wish that that be the case. I do not recall ever in the House the former Minister of Finance getting up and saying, "Well, this is what we have for this year, but we plan to raise taxes next year and the year after that". The impression that the Member is now trying to split hairs about — the one that it is not necessary to implement any of the variety of tax measures that were contemplated in the leaked Cabinet document — is that. We have not implemented any this year, and I do not contemplate doing it next year. There is, with respect, only so far down the road I am prepared to go in terms of debating budgets for the rest of this decade and into the next one.

<sup>24</sup> **Mr. Phelps:** We are talking about the future of the Yukon and these are important issues. Let us move slightly away from that. We have this 16 percent increase proposed in the cost of the administration of this government and the increase of eight percent in the person-years. We also have an increase in contracts of consultants from all over Canada. So the expenditure side and the cost of running the government is certainly increasing.

At the same time, we have a situation where the Government Leader has spoken in terms of spending a lot of money on capital in the next year or two; spending as much as possible. He eluded to a cut-back on the capital side of the expenditure as though this was a catch-up period for the next two years. Is that still the government's intention, that the capital expenditure program may be cut back in the future?

**Hon. Mr. Penikett:** Let me say something first about the numbers the Leader of the Official Opposition is playing with in terms of the O&M. It is interesting that, in the O&M Budget last year, most the PYs, which had been approved by the previous Cabinet and Management Board, and the broad numbers had been set by the previous Management Board and Cabinet, the Member's opposite want to talk about it as their budget.

Now, because it had a very significant increase, he wants to talk about it as our budget. Let me say, again — in the hope I can successfully communicate it — that we recognize that in the long run this territory cannot sustain the rate of program growth of an average of 12 percent a year that was experienced by the previous government, because that is not healthy.

That is why, in the first budget we had an opportunity to bring in, and opportunity to craft, we held the O&M increase in this budget to 6.5 percent. I may as well say this now, even though I could be proved wrong in the next budget year, if you will note my budget speech, I related the rate of growth in the government program expenditures for this year to the rate of growth in our economy. I related it to the averages in the provincial economies and provincial budgets down south. It is a more modest rate of program growth. It is a rate of program growth consistent with the growth rate in our economy. That is the O&M picture. That was the O&M plan of this Minister of Finance and of this government.

On the capital question, which I remind the Chairman we are not discussing because we have already approved the Capital Budget for 1986-87 last October, even though the Members opposite voted against it, — and it is against the rules to reflect on a budget we have already passed — we made capital expenditures in all communities in the territory based on two facts: one, we had the money available to do it; two, there was a substantial need in those communities.

The reason we had the money available to do it, and I talked to the officials of this government who have been negotiating these matters for a long, long time, is that this government, over a number of years, had generally persuaded the federal government

that this area was relatively underdeveloped in a number of important respects.

<sup>25</sup> Its capital plant was inadequate. It was not up to the standards of the rest of the country.

The federal government was persuaded to give us more money in order to develop that capital plant, to develop our economy and our society, and to bring it up to scratch.

It was also appropriate that we put that money out into the communities, that we put that money to work to build the Yukon, to build our economy, to build our society, to build our community, at a time when we had extremely high unemployment, and after we had gone through a three-year recession.

That is our plan. We intend to have very significant capital expenditures this year. We intend to have very significant capital expenditures next year. We do not believe, in the long run, that that level of capital expenditure by this government will be maintained. As the economy recovers, as it is now, and as unemployment falls, as the private sector recovery takes place — and there will be lots of construction activity, such as home building, office building and other industrial building that will go on — the capacity of this community to do that work will grow, but so will the health of our economy.

We hope that, in that period, we will have overcome many of the deficiencies in the capital infrastructure of our communities and we will be in better health throughout the territory from that point of view. That is the basis of our expending plans.

It is still our intention to try to control the rate of growth of program expenditures because, given the financial health of this country, it is not reasonable for us to expect to be able to sustain the rate of 12 percent annual growth and expenditures that was experienced by the previous government, given what is happening in Ottawa. We do not think that is realistic.

**Mr. Phelps:** The Government Leader could have said yes, and that would have saved the House some time.

The concern that I want to express is that, on the capital side, we have a very large increase, ongoing, on the administration side, on the person-years side, on the contract and consultants being hired, on that side, in the creation of policy, not within the civil service, but from without. The capital side provides a stimulus to private enterprise. What, I gather, is going to happen, is that that will contract once it comes time for the new government to try to negotiate a deal with Ottawa. That will mean that, as never before, all things being equal, the government will be a larger percentage employer, and a larger figure, in terms of the overall economy of Yukon.

Is that not the plan of this government?

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

**Mr. Phelps:** It is an option that ought to be considered with a fair amount of realism, as to the future. That is the direction in which we are going.

We have talked about the increases in spending combined and the increases in the administration side. We have been told that there just happen to be some figures that are missing from this document that was tabled as the O&M Budget. One of them has to do with whatever the cost is going to be to keep the Carcross-Skagway Road open. That is not here, neither the O&M on that side, and particularly on the American side.

<sup>26</sup> Another was, of course, the Prospector's Assistance Program. All of these things are going to increase the projected deficit that is shown in this document. I am wondering if there are other major oversights that this government has neglected to place before this assembly?

**Hon. Mr. Penikett:** There is no problem. Let me not get into a silly debate with the Member opposite. Let me just mention a couple of things that it might be useful to remind him about.

We are going to try to do something, out of respect for the House and out of respect for the public, in respect to reporting the people who are actually working for this government that has not been done in the past.

The previous government developed a practice over a number of years of having many people in its employ who were contractors. They were not people who were listed in person-years establish-

ment. They were not people who were reported, in that sense, to the Legislature.

We intend to reform that system. We have converted a number of those people who should have been listed in the person-years establishment all along to person-year positions.

The Member opposite talks about consultants from across the country. If we really wanted to get into discussion on that, I am prepared to bring forward to the House a list of all the consultants engaged by the previous government. I am quite prepared to go through both lists and compare our use of outside consultants with their use of outside consultants, and for what purposes. It would take a long time, but I am quite prepared to do it.

The Member opposite talks about monies that are not in the budget. We have already talked about the undertaking of this government that we would do everything we can to absorb the costs of the maintenance of the Carcross-Skagway Road in this O&M Budget. I have already talked about the fact that we are negotiating with the federal government for the money for the Prospector's Assistance Program.

Were we to have put the money in the budget, we would immediately defeat our argument that we have need for a federal transfer. I am sure we would also encourage the federal government to simply dump programs on us without money.

Last week, I pointed out to the Member one number in this budget that is inflated. We pointed to a number in the Public Service Commission estimates to take care of the Worker's Compensation Board — \$300,000. We do not expect to spend that much money. We do not expect to spend that amount of money. A large part of it will lapse.

On this point, it may be useful to remind Members that every year in recent years there have been significant lapses in money. One of the reasons that we have an accumulated surplus is that that money will lapse every year. Those lapses have been occurring, and I do not doubt they will continue to occur, unless we have squeaky-tight administration — and that is something that is impossible to achieve, because there will always be vacancies, and there will always be positions that are vacant for a while and there will always be plans that cannot be completed on time.

When we are talking about our financial position some years hence as a result of revenue shortfalls, please remember that every year for the last few years we have had very significant — in the millions of dollars — lapses that have added to the surplus of this territory.

<sup>27</sup> **Mr. Phelps:** I am still searching for an answer to the question I raised. We cited two examples. The maintenance of the Carcross-Skagway Road is an area of grave concern to us because we, on this side of the House, believe it is going to be an awful lot more than the prediction we have heard from the other side of the House.

A couple of other examples are the cost of the Space Allocation Report for the increase and need for more office space on an overall basis, the Rec Centre in Faro, the Haines Junction jail program.

I am searching for an overview of the O&M and the real anticipated deficit. If these figures are being put forward with the intention of lapses, I wish he would tell us that and we could vote for less. It would make sense to vote for less if they could pinpoint these projected lapses and we could use that money for other purposes.

Aside from those additional three examples, is there anything else they would like to tell us about so we could get a better overview of the real costs entailed in this budget, the real anticipated person-years, because obviously the person-years are going to have to go up for the year-round maintenance for the road to the coast, and then we will be able to debate on better terms with a better understanding the real picture that faces this House in general debate.

**Hon. Mr. Penikett:** I note that the Leader of the Official Opposition chose not to mention the figure I just gave him where, in fact, there certainly will be a lapse and we will underexpend the \$300,000 figure in the Public Service Commission Estimates, which is the worst-case scenario, and has been built into this and every previous budget.

There will be lapses for two reasons. Obviously, we cannot

accurately predict the expenditure in every area. There are good winters and bad winters when it comes to road maintenance. There are all sorts of factors that come into play.

The other factor that is important is one we discussed the other day. Over-expenditures are not permitted. The issues that the Members opposite are raising have been raised before and we have discussed them. On the Skagway Road maintenance costs, we have an undertaking by the department to try to absorb them within the existing budget.

**Mr. Phelps:** Just before I carry on, I missed the \$300,000 for the Public Service Commission. I and my desk mates here did not get that item.

**Hon. Mr. Penikett:** This is depressing because I spent some-time on Thursday explaining it and nobody was listening.

In the Public Service Commission Supplementary, and in the Main Estimates, there is an amount of money, \$309,000 for Workers' Compensation Claim Fund. The forecast for 1985-86 is \$110,000. As I explained to the Committee on Thursday, this number is always budgeted as a worst-case scenario. The money lapses if it is not used. But, if you look at the forecast for 1985-86 in terms of the actual cost, it is projected to be \$110,000. That is an example of a number \$200,000 larger than we may need.

**Mr. Lang:** I hope we are not irritating the Government Leader, but I want to go back on some experience I have had in government, and I have had my fair share, rightly or wrongly. I have had some knowledge on the revenue side of government. At times, we have had to bring forward bills to ensure that revenues could be raised by this government for the purposes of taking on the responsibilities. At times, we have had debates, even with the Member opposite, when he was on this side, with respect to the validity of those tax measures that were brought forward. It is no secret that a concern that this side has is that, on the one hand, we seem to be letting our responsibilities down, for example, on the medicare premiums projected for this coming year and, on the other hand, two or three years hence, when we talk about renegotiating our federal-territorial relationship, as far as the transfer of dollars, we are going to be put in a very difficult financial situation.

The way the government has said that they would just go into the surplus is another concern. I recognize that there is a need for surplus, and I recognize how it is there and how it is evolved to be there. My concern is about those surpluses going for the purposes of taking over the O&M, in good part. If there is major growth in government that means less capital works, whether it be upgrading our roads, or major regional roads to resources policy, or maybe an extension thereof, that kind of thing, as opposed to actually directly helping the general economics. We see ourselves going into a path through putting this money in for just strictly the O&M of government.

It is a valid concern because of the measures that have been taken over this past 10 months, with respect to the budget before us, and not coming forward and saying to us, look, we will be doing that in lieu of taking this measure. That is fair ball, and I do not argue that. I defend the government's right to do that. It seems that we are always taking away our revenues, increasing the size of the civil service, depending on our surplus, with the situation two or three years down the road where three things are going to evolve. Either we are going to have to take out of our surplus, if we have any left, or we are going to have to renegotiate with the federal government — they may say, look, the major tax measures are your responsibility — or cut back on the civil service and the programs that we have.

That is the dilemma that we see the government getting into. That is a legitimate observation. Within the budget that we have here, we have identified a number of costs that are not incorporated into the budget. Just going through very quickly: space allocations - 40 new person-years. That is 40 new desks. I have some sympathy for the government in this, with respect to the building, and what you are going to provide. There are problems there.

All those are added costs that are not built into this O&M budget. The difficulty I have is that we are almost saying that each budget is over by \$1 million, and we will be able to absorb those costs. I find it difficult to believe that that is the case in Highways and

Community and Transportation. Half a million dollars plus \$300,000, as far as the rec centre out in Faro — if that goes ahead — can be absorbed in the budget. We are being given a budget that does not reflect what it says. Do I make myself clear to the Government Leader?

It is a legitimate concern of this side.

**Hon. Mr. Penikett:** The Member finishes with a question of whether he makes himself clear or not. I am not sure whether he does to me. Let me just say this, again. I understand full well the consequences of this government locking itself into a whole range of expensive new programs that may not be able to be borne by the taxpayer some years down the road.

That is why we are very modest in the increase we project this year. That is why we are going to be very aggressive about putting in place a program evaluation system, to evaluate existing programs and reform them, or even retire them, if they are no longer efficacious or necessary.

There are lots of internal economies that can be achieved by this government. Let me just talk about one problem that we have had, one problem that has been festering for a long time, and that is the problem of space in this building.

<sup>29</sup>We came into office and discovered that when a department came forward to Management Board and asked for new positions, or asked for new person-years to do something useful, one of the calculations that was never taken into consideration was where those people would work.

We have been back over the minutes of Management Board, and we cannot find any consideration. We find that this building, which was designed to accommodate 300 and some people, is now accommodating 550 and some people — a totally unacceptable situation in terms of working conditions and air quality. We decided to do the space allocation study, because we recognize that we are near a crisis situation in the use of this building.

The options that are available to us are not going to be a surprise to anybody. We know what the options are, ranging from renting and leasing in the private sector, and there is not an awful lot of that available right now, to building. We have to make those decisions. Those decisions, we know, all have capital and O&M consequences. There are O&M consequences in the way we have been going up until now: renting a little space here and there. That is relatively expensive in the long run.

We are going to have to, whenever we look at additions of person-years in this government, take a very hard look at where they work, but we also know, as I mentioned earlier, when you build a new building to accommodate people, as we have done with the Philipsen Building, there are considerable person-year implications that have nothing to do with people who are actually doing the work involved in Justice or in the courts in that building. There are implications in terms of janitors, security and building maintenance. We cannot escape those. The original projections developed by the previous government said that we would have to have 26 people in there. We have cut that down to 14.2. We have done what we can, and we will be looking for other such economies.

The Member opposite knows it is not easy, but believe me when I say that we are going to be taking a great deal of care not to build ourselves, or the next government, or the next government after that, a lot of problems by building O&M expenditures into our budget that cannot be sustained.

We believe that the money we have available in the Capital Budget is a responsible step to develop the infrastructure of this economy and the society.

**Mr. Lang:** I have heard the Minister talk about projected figures, and how the previous government had 26 person-years vis-a-vis their decision of 14.5. I think this should be put in its proper context. Those were proposed figures for the buildings and no definite decisions had been made. I think that is important, because I think it is misleading to say that the final figure was 26 and the decision was to go with 26. That particular decision would not be taken until a budget was tabled. I am just putting that on the record for the discussion here. It seems that I heard some comments about documents and various other things.

I find it interesting that the government side can refer to

Management Board minutes, which I may have been involved with at any given time, but I guess this side is not supposed to. I am not saying this argumentatively, but I recognize the problem the government is having. I think, with respect to the growth of the departments, especially during the course of the recession, we, the government at the time, were asked to take more and more responsibility, because nobody else was here to do it. The reality of the situation was that more people were put into this building.<sup>30</sup> It was a situation where those decisions had to be taken at that time. I do not think that it was of any surprise to anybody that, at some time, decisions will have to be made on that area of concern.

Our concern is that it is not reflected in the budget. Those are costs that are going to be incurred over the course of this year, yet we do not have any idea of what we are talking about.

Perhaps the Minister could enlighten us. Since they have the report, what are we talking about? Are we talking about \$500,000 for O&M costs? Forget capital. What is the ballpark figure in view of the fact that a report has been received and has been under study for a couple of weeks?

**Hon. Mr. Penikett:** The report has been received, but it has not been analyzed nor have any decisions been made on it in Management Board or Cabinet. I am sure that the Minister responsible will be happy to discuss it when we get to Government Services.

Do I understand that the previous government took a Keynesian approach, as opposed to the more currently popular Freedmanite approach during the time that we were in the recession, to public sector employment and public sector spending? If that was their philosophy, I hope they will understand that, as our economy recovers, and it still has a long way to go, then as a consequence of us keeping modest growth as the rule for the O&M Budget, the private sector will become a relatively larger part of the total economy than it has become in the past few years.

In terms of fiscal and political prudence, the federal government has come to contribute a far larger percentage of our budget in this territory than I think is healthy. One of the things that we have to have in the backs of our minds, when we look at the years ahead, is the absolute fundamental need to have our economy recover and strengthen. As consequence of whatever it is — provincial status or whatever — we will have to take better care of ourselves than we are capable of doing now.

**Mr. Lang:** If you look back to the discussion of Monday, March 21, 1986, the Minister effectively said the same thing. It was something like: over time we are going to have to generate a larger portion of our own revenues here. He also talked about the national deficit in that debate, and the fact that the largesse of the federal government may not be as great as it is presently. I do not think anyone argues that the present agreement is a good one for Yukon.

Our concern is that there seems to be costs that are not in the budget. At the same time, two or three years down the road, — the Minister does not want to discuss that at this time — we are looking perhaps at taking it out of surplus of the O&M of government. That is a legitimate observation, especially if the federal government cuts back in our funding.

**Hon. Mr. Penikett:** I think the Formula Financing Agreement such as we have is especially good for the territory during a recession or a period of decline, because it enables us to have some kind of security about our financial picture.

The other side of that coin, of course, is that during the time of recovery when there is more tax money generated locally, we do not capture it.

<sup>31</sup> In tax terms, the beneficiary of a healthier economy here is the federal government. Of course, we all benefit from having a healthier economy, but the real point is that I do not expect that we shall, for years to come, have the kind of formula financing arrangement that we now have. That is why, when I talk about having to generate more revenue here locally, the major action we need to take to achieve that is to take measures to improve and make our economy more healthy, active, vibrant, strong, fit and wonderful.

**Mr. Phelps:** I am rather amused at the Government Leader quoting what he sees as changing economics and Freedman. If this

government is adopting the policies and philosophies of Mr. Freedman, I wonder how he is going to go about managing the money supply in the Yukon through the institutions and through the *Bank Act* and so on.

**Hon. Mr. Penikett:** Permit me a little sport. I was not suggesting that we were a Freedmanite government. I just happened to remember that the Member for Porter Creek East had once watched Mr. Freedman on television and fallen in love, at least as he conceded to me at the time.

The policy of the former government, I think, objectively was Keynesian, and I am not faulting them.

**Mr. Phelps:** I would think not because really the tools that you have are the expenditures on the capital side and those are classically Keynesian, as the Government Leader ought to know.

I want to get back to one of my first questions and would like to know whether or not there is anything of a major kind that the government knows about and has not included in this budget, such as the Skagway Road. That is one point about being clear. I would like an answer to that.

The idea about cutting down on some of these things because there is an obvious surplus and that is undesirable, I believe, even according to the Government Leader, we will be pleased to deal with that issue on line-by-line exhaustively to ensure that there is not too much fat in the budget. We would like an overview, starting out, of what else is missing from this budget so we know what the projected deficit really is.

**Hon. Mr. Penikett:** We are really getting into the train of great thinkers today. The Leader of the Official Opposition will forgive me for saying that is a particularly Kafkaesque question. It reminds me of the great line from that British television series, *Yes, Minister*, where the minister is asking the deputy minister, "Please tell me what it is I do not know". The deputy minister responds, "Minister, I do not know what it is you do not know, so therefore I cannot tell you".

As far as I know, for reasons that were explained during the earlier version of the O&M general debate, because the deal was not completed on the Skagway Road, that number has not been built into the budget. That is the most significant item that is not here. As we indicated earlier, we will be making an effort to absorb that cost within the dollar numbers in this budget.

With respect to the Prospectors' Assistance Program, I believe I have already explained the reason for not having the total dollars in here on a couple of previous occasions.

**Mr. Phelps:** I am pleased to be removed from the existentialism of Sartre or the realism of Humme.

<sup>32</sup> **Hon. Mr. Penikett:** If I may be forgiven, I feel very much like John Locke recently, having mixed my labour with the soil in the few weeks of the Legislature here.

**Mr. Lang:** Getting down to the world of reality here, I would like to broach a question to the Minister of Government Services who, I am sure, has a Deputy Minister at the present time listening, with the technological devices that we have provided for DM's and, I gather, with the Leader of the Liberal Party.

If he is listening, could he check the air conditioning in this room. It is getting awfully warm — not from the Government Leader's dissertation, nor from the Leader of the Official Opposition. It is just warm in here and I think it should get straightened out, or else a number of us are going to go to sleep.

**Chairman:** Is this a hint to the Chairman to call a recess at this time?

We will now recess for 20 minutes.

*Recess*

<sup>33</sup> **Chairman:** The Committee of the Whole will now come to order.

We continue with general debate.

**Mr. Phelps:** I am wondering if the Government Leader can tell us whether the government has been canvassing any new taxes, or tax increases, that were not mentioned in the newspaper stories?

**Hon. Mr. Penikett:** As far as I know, all the measures

mentioned in the leaked Cabinet document pretty well covers the entire range of options that officials in this government believed were available to us.

**Mr. Phelps:** Could the Government Leader advise as to what role, if any, the Economic Council played in assisting the government in arriving at a decision on the issue of tax increases?

**Hon. Mr. Penikett:** Prior to the development of the Cabinet paper, an outline of the taxing options that had been developed by the interdepartmental group was taken to the Economic Council. A brief on some of the options available to the government was given to the Council. Their views on the wisdom of each of the alternatives was obtained.

**Mr. Lang:** I notice that in our minutes we never received any indication that the Economic Council was going to be involved in such an exercise. Could the Minister of Economic Development explain why, in view of the fact that we are supposed to get copies of the minutes as per the commitment by the Government Leader?

**Hon. Mr. Penikett:** There will be times when the Economic Council is advising Cabinet and, therefore, those minutes will be privileged.

<sup>34</sup> **Mr. Lang:** Are we going to be advised, on a privileged basis, vis-a-vis minutes being made available to us? The second thing I would like to know about is the formal recommendations asked of the Economic Council in matters if this kind.

**Hon. Mr. Penikett:** No, I am not going to. When we go to the Economic Council, as an advisory body to Cabinet, I am not going to be announcing that to the general public nor the Legislature that that is what we are doing, any more than when Cabinet goes to anybody else for advice. The Economic Council has another role, which is independent of government, to make assessments and pass judgments on economic performance through the economic statistics and so forth. They do that without any reference to Cabinet. We are advised at the same time everybody else is as to what their decisions and comments are.

**Mrs. Firth:** I would like to follow up on the Economic Council. The Government Leader has been cooperative in seeing that we get minutes of meetings, however, I understood the Economic Council had been asked for their advice or recommendations regarding the tax review paper, and I never received the minutes of that meeting. Is there a reason why?

**Hon. Mr. Penikett:** I answered that question two minutes ago.

**Mr. Phelps:** Turning to page 6, revenue summary and the tobacco tax issue and the percentage change in the figures outlined therein, can the Minister tell us whether or not there has been any further work done on the projected revenue from the amended act and whether they could provide us with any documentation to substantiate the projections as they stand with the amended act?

<sup>35</sup> **Hon. Mr. Penikett:** I can give the Member some information. I do not know whether or not it will satisfy him. Part of the problem in making precise estimates is that, in some cases in the past, the Government of Yukon made estimates based on some national trends that have not been borne out here.

As we indicated in the previous round of general debate a month or so ago, the increase in revenue projected for 1986-87 from 1985-86 is \$1,307,000. The estimated revenue from the tax change is \$1,357,000. The estimated reduction resulting from declining consumption is \$50,000. That is a decline in revenue.

The tobacco consumption continues to increase in the Yukon every year, even in spite of a decline in population, and in spite of declining consumption patterns nationally. Nationally, for example, there was a 10 percent decline in cigarette smokers between 1965 and 1981. With tax increases at both the federal and territorial level, it is assumed that some decline in consumption will occur roughly in line with the apparent national trends.

The reduction in revenue of \$50,000 is a result of people quitting. It is only a rough estimate, however, and depends on the foregoing assumptions being valid. The validity, of course, as with all numbers in the budget, will be checked in variance reports at both period four and period nine.

<sup>36</sup> **Mr. Phelps:** The issue that I was really interested in was whether or not there were any projections to show how the government was balancing off the reduction of the smaller cigars

with the increased tax on the larger ones. Is there anything on paper that would show the volumes and anticipated revenues from the changes in those taxes, as a result of the amendment to the bill?

**Hon. Mr. Penikett:** We have not done any refined projections on that. I think it is more useful to wait until we have some actual experience.

**Mr. Phelps:** Refinement aside, is there anything that can be tabled to show us what the change was based on, in order to balance off the anticipated revenue?

**Hon. Mr. Penikett:** If there are some numbers that are useful projections that I could table in the House, I will take a look.

**Mrs. Firth:** I just want to follow up on the question I asked earlier about the minutes from the Economic Council meeting. I was not in the House when the Member for Porter Creek East was directing the question to the Government Leader, however, after talking to him about it, I appreciate the answer was that it was privileged information, or something.

I was told that the minutes would be provided, subject to being reviewed by the Economic Council, that if it was all right with the Economic Council, we would get the minutes of the meeting. Was it the Economic Council that determined it was privileged information, or was it the Government Leader?

**Hon. Mr. Penikett:** Let me repeat my answer. I apologize to the Member that she was not here. There are occasions when the Economic Council — there will not be very many — is going to provide advice to Cabinet. It is, after all, constituted as a Cabinet advisory body. In the same way that a Deputy Minister or someone else of some other advisory body may give advice to Cabinet, it will do so in those cases in confidence, and there will not be a public record of its advice, unless there is a leak.

Those will not happen with great frequency, but there will be times, because that body is representative of a lot of sectors in the economy, and we may want to get some broad, strategic advice, or run something by the Council, but do not want to make it public; then we will do so.

<sup>37</sup> **Mrs. Firth:** Would it be unfair of me to conclude that, when the government is taking the council's advice, minutes will be made available, and when it is not we will not be getting minutes, because that is the impression I am getting?

**Hon. Mr. Penikett:** No. If we go to the council's advice on something like this, whether or not we accept their advice is academic. Whether or not I accept the advice of a particular bureaucrat is academic. The decision about what advice we take and what decisions we take will be made public in the normal way.

**Mr. Lang:** I have a question regarding license fees, registration and permits. I notice, in 1985-86, we have a forecast of \$2.5 million, and then in 1986-87 we are \$3.1 million. I understand there is \$300,000 included in the budget for the commodity bulk tax that is to be instituted, so that puts us up to \$2.8 million. Where do you see the other \$250,000 for revenue in view of the fact we are looking at a three percent increase?

**Hon. Mr. Penikett:** Let me go through this bit by bit. The increase of \$147,000 between the 1985-86 Main Estimates and the forecast in Supplementary No. 2 is principally due to an unusual increase in revenues resulting from a variety of sources such as increased gambling license fees, public administration fees and business licenses. It is not anticipated that similar increases will take place in 1986-87.

As to fees and licenses under the *Motor Vehicles Act*, overweight permits, et cetera, if you will look at page 68 of the O&M Mains for 1986-87 for the breakdown on that number, this includes \$160,000 for increased volume of commercial trucking resulting from Curragh and \$284,000 for bulk commodity charges of \$1 per tonne for hauling Curragh concentrate to Skagway.

On the library fees and photo charges, I refer Members to page 111 of the O&M Estimates where the previous year's revenue is coded to the other. Principally, vital statistics fees is the change in Health and Human Resources, and the detail on that is on page 168.

As to registration fees and related items in Consumer and Corporate Affairs, I refer Members to page 198. Licenses and permits are referred to on page 230. Miscellaneous, \$1,000, is coded to other.



**Mr. Lang:** Then what we are effectively saying here is that we are going to have an increase of \$450,000 accrue as far as revenues from the opening of Curragh mine because of commodity tax and licensing. Is that a correct statement?

**Hon. Mr. Penikett:** Yes, \$160,000 for increase on commercial trucking and the \$284,000 for bulk commodity charge of \$1 per wet tonne.

**Mr. Lang:** Does that translate itself into roughly \$450,000 less being transferred under the agreement to the Government of Yukon because of the arrangement with the federal government under the increased revenues on our side of the table?

**Hon. Mr. Penikett:** The \$160,000 will be taken into account with that factor, but the \$284,000 bulk commodity charge is an increase, if you would like, in a tax rate and therefore that nets to us.

**Mr. Lang:** The commodity tax, the bulk tax that is a new tax measure, then does not have anything to do with the agreement. It is new revenue for the Government of Yukon?

**Hon. Mr. Penikett:** Yes.

**Mr. Phelps:** Fines is the next item on page 6. That seems to be a small drop, yet it is talking in terms of economic recovery to some degree. Is the decrease because of the Fine Option Program, or is it based on other aspects of life that we do not know about?

**Hon. Mr. Penikett:** I will have to get back to the Member on that. It is a Department of Justice estimate. It may be a result of the Fine Option Program. I am not absolutely sure.

**Mr. Lang:** What designation does the Women's Directorate have in the context of the government? Is it a department now with Deputy Minister status?

**Hon. Mr. Penikett:** It is a directorate, but it is a standing directorate. For some purposes, the Director has some Deputy Minister privileges with access to the Deputy Minister Review Committee. It does not have Deputy Minister signing authority for most practical purposes.

**Mr. Lang:** Who would be the Women's Directorate report to?

**Hon. Mr. Penikett:** This is a free-standing directorate. The Director reports directly to the Minister responsible for the Status of Women.

**Mr. Lang:** I notice we have a bill in the context of loans to municipalities for deliberation. Are the communities able to pay their loans off in the manner that was agreed to?

I know Faro's debt was much more onerous than most communities for a number of reasons. Exactly what was happening there with the debt?

**Hon. Mr. Penikett:** Except for Faro, the communities have been able to. I think, if the Member would permit, a detailed report on the Faro situation might wait until we get to the Community and Transportation Services estimates.

**Mr. Lang:** If that is a problem, is it taken into account in the O&M Mains of the Budget or is it going to be apart if there are financial implications to the government?

**Hon. Mr. Penikett:** There is a change there that has been done since the Estimates. I will allow the Minister of Community and Transportation Services to report on that when we get to that department, if I may.

**Chairman:** Is there any further general debate?

*On Yukon Legislative Assembly*

**Hon. Mr. Penikett:** It is a custom in this House for all Members to be provided with the information from the Clerk's office. Therefore, Members will understand instantly that I am no more expert on this item than anybody else. I just had the dubious privilege of presenting the particular numbers.

The budget for the Legislative Assembly during the 1986-87 fiscal year is set at \$1,526,000, which is a decrease of \$244,000 for the 1985-86 forecast, and a decrease of \$264,000 from the 1985-86 Main Estimates. This decrease can be most simply explained by noting that we budgeted \$269,000 for a general election and a by-election in 1985-86. This year we are returning to the normal practice of budgeting for elections through a \$1.00 item.

There are slight increases in two of the programs in this vote. Under the program entitled Yukon Legislative Assembly, we have an increase of \$17,000 over the 1985-86 forecast. The requirement

for additional money is primarily due to the need to budget for Caucus support services on a full-year basis, rather than for 10-and-a-half months, as was done last year.

In the program entitled Clerk of Assembly, there is an increase of \$12,000 over the 1985-86 forecast. This money is needed to cover the bonus payments to be made to public servants on April 1, and to increase the long distance telephone budgets of Members of the Assembly.

With that, and with great trepidation, I make myself available to answer questions about particular lines in this department.

**Mr. Phelps:** In general debate, the general line of questioning would have to do with the anticipated use of select committees by the government. I am wondering whether or not the Government Leader could tell us the extent to which they intend to use the committees, and if they intend to use committees during the summer?

**Hon. Mr. Penikett:** As a general rule, yes, we intend to use select committees. As the Members opposite will know, there were no select committees between 1982 and 1985. Some Members, because of the makeup of the House, were extremely busy last year with select committees. I believe the Member for Klondike, for example, had no time off between the time we adjourned in November, and the time we came back, having had the privilege of serving on Public Accounts, Statutory Instruments, Human Rights Select Committee and the Select Committee on Renewable Resources.

Whether select committees will be sitting this summer depends on two factors: one, how long the House sits — if the House goes on into July and August, the appetite for Members to sit in select committees will be slight — and, two, the other problem is that say we want to have a select committee involving six Members this summer — I say this with great care and out of great respect for the delicacy of feeling of Members here — we may have, some of us who have leadership positions in our Caucus, some problem recruiting Members for a six-Member select committee this summer. Whatever the wishes of the government may be in that regard, we may be frustrated by other perfectly normal human desires on all sides of the House.

**Mrs. Firth:** I have more specific questions than general, which will speed up the debate somewhat.

I recognize that the MLA's have certain expenses, and the government MLA's have an expense allotted to them, that is different than the average opposition MLA's expenses. Can the Government Leader tell me where the salaries for the support staff to the government MLA's are in this budget?

**Hon. Mr. Penikett:** There is only one and it is part of this budget.

**Mrs. Firth:** Is it correct, then, that the allotment for the two government MLAs is \$10,000 each. That salary would be paid out of that allotment, or is that incorrect?

**Hon. Mr. Penikett:** There are three Members of our Caucus who are not Members of Cabinet who are sharing the research allocation. I believe that the formula is half of what Opposition Members get per Member.

**Mr. Lang:** I have a question to do with the supplementaries as well as this budget and the human rights legislation. I did not get a clear definitive answer about the select committee and the dollars paid for that particular one. The point was made that \$73,000 was voted in Justice at that time. I do not think it was clearly answered whether any of that money went to the Yukon Legislative Assembly to pay the expenses of that venture.

**Hon. Mr. Penikett:** No, select committee expenditures come out of this vote.

**Mr. Lang:** With the increases in the civil service, was there an increase under this budget for the research staff of the Caucus Members?

**Hon. Mr. Penikett:** Not as such. As I understand it, there was a very sizable increase in Opposition research budgets in the 1985-86 budget that, of course, will continue here. How those monies are expended by the Opposition Caucus, I gather, has been a subject of some change since my day. We are contemplating some changes that reduce some of the restrictions on those spendings. It

has been my view that some of the changes that are happening, as a result of the evolutions of this House, ought properly to soon be the subject of some discussion in the Members Services Board or the Rules, Elections and Privileges Committee.

**Mr. Lang:** Perhaps we could explore this a little further. Is the government having a paper prepared with respect to that area of concern? I understand what the Government Leader is saying, but there seems to be a vacuum here to some degree. I do not know if it is legislative, or if it is strictly policy, but it seems that some people who are employed in the political wing of the government and have committed themselves thus far, seem to, to some degree, get short shift. Perhaps the Government Leader would like to comment on that.

**Hon. Mr. Penikett:** I am not preparing a paper. The Clerk's Office may be preparing a paper, or Members in the House may wish that be done. I think that would require a reference from the House to the Committee, or to some body. I do not believe that there is such a reference at this time, although I have no objection, in principle, to one being done.

It seems to me that some research is in order as we go through changing situations, examining what is done elsewhere. There are many complex questions, which are made more difficult because of our small size and the fact that many of us, in a jurisdiction of this size, and a Legislature of this size, have to wear several hats. This situation does not pertain in most of the other Legislatures, save and except Northwest Territories and Prince Edward Island.

**Mr. Lang:** Could that be a subject of discussion at the next Member Services Board meeting? I think it is an oversight and an area that should be looked at.

**Hon. Mr. Penikett:** I am quite happy to do that, but I am somewhat nervous, as Government Leader, because I also have responsibilities as the Minister of Finance, and if there are some questions about the management of House resources, or Caucus resources, I would feel more comfortable if the initiative for such matters were to come from some other quarter than my office.

**Mr. Lang:** I am just saying this to you as another member of the Member Services Board.

As a Member of the Legislative Assembly, I have had calls with respect to the lack of televising of Question Period in the last couple of weeks. I know the Clerk's Office has looked into it. Just as an observation, I think it is beneficial to have the proceedings televised for those who wish to view it. I hope we see some initiative from Whitehorse TV to have the Question Period, at least, televised.

**Hon. Mr. Penikett:** I am quite prepared to convey that representation. Speaking entirely for myself, I could not care less if I am ever on television again for the rest of my life. I have not had a large number of complaints about it. In fact, I have had one person tell me they were quite pleased we were not on anymore. I do recognize that there is a small, discreet and exclusive group that do enjoy watching Question Period on the TV, and I will convey the Member's representation to the people responsible. I think the reason was given that there was a staffing problem with the station, not boredom or indifference to what was going on here.

**Mr. Lang:** I do not want to comment on individual Members and their ability to be photographed. That was not the intent of my representation. It had been brought to my attention by a number of people that it was not being televised. Some people do watch it, and I differ from the Government Leader in that it may be an exclusive club. I think, in the day of modern technology and remote-controlled TVs, you will find more and more people may watch it for five minutes or may watch the whole program. More and more are watching it, and they should be encouraged to watch it. If it is not on, they cannot be encouraged to watch it. That is the point I am making.

**Mr. Nordling:** Can the Government Leader tell us what select committees are planned for 1986-87?

**Hon. Mr. Penikett:** I expect there will be some kind of committee on human rights. What other select committees there may be, I do not know, but I would almost be certain there will be some. On what subjects, I cannot say at this point.

**Mr. Phelps:** There is only one being contemplated as being struck from this sitting?

**Hon. Mr. Penikett:** That is my understanding. I would emphasize that the government, per se, has not even taken a formal decision with respect to that matter. The ability to propose a select committee to the House depends fundamentally on the willingness of enough Members in the House to serve on it.

**Mrs. Firth:** Are there salary dollars identified in this budget, should there be a select committee and they need this extra research and support services in the way of casual help? Is that something that we would have to come back for?

**Hon. Mr. Penikett:** I will tell you what the Clerk told me. The forecast expenditure of \$61,000 under the Yukon Legislative Assembly program exceeds the 1985-86 estimate by \$30,000. I understand that this reflects the costs of the 1985 fall session.

Since it is not possible for the Clerk to predict what special select committees the House has established during the course of the year, the practice is not to include any money in the budget for such committees. Their activities are covered by special warrant or supplementary appropriations.

**Chairman:** Is there any further general debate?

*On Legislative Assembly*

*Legislative Assembly in the amount of \$828,000 agreed to*  
*On Caucus Support Service*

**Mr. Lang:** I do not know if this is the item, but I rise to point out that the machine that is in that area is getting overworked. I raised it in the supplementaries. I hope that, if there is a major breakdown, we find it convenient that we do not have to go through a three week or a two month process through government to have it replaced.

It has been a good machine, but every day it seems that a little more work has to be done for one reason or another. I make this representation to the Government Leader.

**Hon. Mr. Penikett:** Representation is noted.

**Mr. Lang:** If we wish to have the proceedings of the House transmitted into our offices, is this the area that the money would come out of? Are those expenditures approved by the Member Services Board?

**Hon. Mr. Penikett:** I do not know for sure that I am going to give the Member a complete update on this. During the days when the former Member for Tatchun was Minister of Government Services, and I was Leader of the Opposition, he came to me at one point and said that we were going to put speakerphones in the Members' offices but would we mind if we put it in the Deputy Ministers' offices first? We said, if you insist, go ahead.

I think it may have been another Minister, I am not quite sure who decided that it was not possible to put it in all of the Deputy Ministers' offices and the Ministers' offices by direct line. Instead, the method of going to the FM station with the idea that Members can get radios was offered as an alternative.

There are some parts of this building where it is quite difficult to listen to the radio because of steel cladding or whatever. If people now want to listen to what is going on in the Legislature, they have to tune into CHLA radio station, of which the Member for Porter Creek East and I are privileged to be the Directors. That is the only radio station I will ever be a Director of, I expect.

<sup>43</sup> It is not a powerful station: one watt or five. I cannot remember. That is the means by which people can overhear the proceedings. They have to tune in on the FM station.

**Mr. Lang:** Just for the record again, so that people are aware that a particular society that my colleague, the MLA for Whitehorse West is part of, as well as myself, as directors. I want to point out the cooperative effort that has gone into it, where I nominated him to sit on the Board of Directors, and he nominated me, to show the non-partisanship of the committee.

We are looking at the possibility of tying into some other particular radio station for the airing of the proceedings, if people want to tune in. It will be interesting to see what the results are. We did not authorize any money, but I think it allows the Clerk to go and discuss it with the authorities involved to find out if it is feasible and, if so, what would have to be done. That is another avenue of disseminating to the public what is proceeding in this House, for those who are interested.

The reason I asked about those particular devices for the purpose



of tuning into these proceedings, was that the last Speaker was very strong that those particular devices not be made available to the MLA's. That was why I asked if the Speaker was involved in a decision of that kind. Obviously, the FM has taken care of it, in any event.

*Caucus Support Service in the amount of \$255,000 agreed to On Legislative Committees*

**Mr. Lang:** In view of our experience last year, here we have \$26,000, and we had two last year. How does that compare, as far as costs are concerned? Are we under-budget in this area, if we had two similar committees?

**Hon. Mr. Penikett:** The forecast expenditures exceeds the main estimate by \$30,000. We had \$30,000 in there last year. This over-expenditure, as I previously said, reflects the cost of select committees established during the 1985 fall session. We had a very busy year. I should also note that there was also, last year, under the 1985-86, \$11,000 that we used to host the PAC national conference, which will not be happening this year. That is a reduction on the other side.

*Legislative Committees in the amount of \$26,000 agreed to On Commonwealth Parliamentary Association*

*Commonwealth Parliamentary Association in the amount of \$32,000 agreed to*

*Yukon Legislative Assembly in the amount of \$1,141,000 agreed to*

*On Clerk of Assembly*

**Mr. Lang:** I just want to rise and say that from our side we appreciate the time and effort that was put in, and the hours that are put in, by the Clerk and the Assistant Clerk, especially when we are sitting at night. I know it is kind of onerous at times, some of the things that we ask them to do. I just want to voice our appreciation of the work that they do on our behalf.

*Applause*

**Mr. Lang:** I may have missed it in the supps, but just out of curiosity, do we have a final bill for that by-election? I understand that it would come out of this particular line item.

**Hon. Mr. Penikett:** I believe I have seen a figure. The cost of the by-election was estimated to be \$36,000.

**Chairman:** That is under Elections — the next program.

**Mr. Lang:** Oh, I will wait.

*Clerk's Office in the amount of \$308,000 agreed to On Elections*

**Mr. Lang:** In view of what was experienced this past election, is the government, or the Members Services Board or whichever body, considering making representation to ensure that enumeration is done for the purposes of a by-election. I think we would all agree it left some question in people's mind as to the numbers of eligible voters in view of the voters list.

**Hon. Mr. Penikett:** If I remember correctly, the decision that was made is something that is laid down in the *Elections Act*. It rises from the fact that the by-election was held within a year of the general election. That is why there was no new enumeration.

**Mr. Lang:** Just to hear what the government has to say in view of what did transpire, there is cause for some concern. I believe the Election Board makes that decision. I feel strongly and want to say it publicly that it is an area that has to be looked at in view of the numbers that were involved.

**Hon. Mr. Penikett:** If I remember the process, there used to be an Election Board report or some kind of report that was referred to the Rules, Elections and Privileges Committee. They looked at a lot of these questions, then the House would debate their report and, sometimes, legislative changes followed. Other times, I think the government acted on the report and then made recommendations that went to the Rules, Elections and Privileges Committee.

I take the Member's point that it is an interesting question, and one that should concern us. I am not sure what the remedy is or how we should address it, but clearly it is something I will want to consult with the Clerk, as the person administratively responsible, and see how we should respond to the kind of question he has raised.

**Mr. Lang:** I am curious if the Minister, as a fellow politician, shared the same concerns. I think we raised it at one time, and it

was raised by the news media at that time as well. I wonder if he shares that concern, as an observation?

**Hon. Mr. Penikett:** I think it is a concern. Whether I know what the remedy is is another question.

**Mr. McLachlan:** We are very concerned with the point he raised also. To prove that the legislation does not cover all cases, what would you have done if we had had a by-election in Faro? We would not have had enough for a municipal by-election. So there is the proof that the legislation does not cover all situations, and you may have to take remedies. This is one. And the population moves in Porter Creek West were significant enough to disrupt the election list by about 35 percent.

**Hon. Mr. Penikett:** As the Member for Faro knows, a lot of us were very concerned that he not represent a rotten borough and a lot of energy of this government's first six months in office went into making sure he had a constituency to represent.

**Mr. Lang:** I do not know what the other Member's experience was, but I really do believe they did an excellent job in their enumeration at that time, at least in the area I was running in. I found there were very few people who had been missed, and, if they had been, it was legitimate; it was their fault. It was not the fault of the enumerator. I think these people who do this work should be recognized by us in view of the importance of the work that they do.

**Mr. Nordling:** I missed the number that the Government Leader gave when he told us how much the by-election in Porter Creek West cost. Could he repeat it?

**Hon. Mr. Penikett:** To elect a new Member for Porter Creek West cost the people \$36,000.

**Mr. Lang:** On behalf of the Member for Porter Creek West, since he is a modest man, it was a very good investment.

*On Chief Electoral Office*

**Mr. Lang:** I notice the Chief Electoral Office, as far as salary, I would assume, and all the related costs, is \$53,000 there, and \$53,000 down below. Does that mean that they are on a contractual basis, as opposed to a person-year, as far as this particular establishment is concerned?

**Hon. Mr. Penikett:** I believe the person is not a public servant in the same sense that other people are. I am not sure that it would be a good idea if the Chief Elections Officer were a public servant, in any case.

*Chief Electoral Office in the amount of \$53,000 agreed to On Elections Administration*

*Elections Administration in the amount of \$1.00 agreed to*

*Elections in the amount of \$53,000 agreed to*

*On Retirement Allowances and Death Benefits*

**Mr. McLachlan:** For my clarification, since there is nobody in the present Legislative Assembly who is reaching the magic six years in 1986-87, can the Minister explain the reason for this line entry?

**Mr. Lang:** For the record, there are a few of us who have been here over six years. If they listened a little bit more to us, they would be much better off.

**Mr. McLachlan:** I said: those who are reaching their sixth year. The Member apparently is not listening again. There is no one who is reaching his sixth year of election during 1986-87, therefore, there is not an assumed liability for pension.

**Hon. Mr. Penikett:** There are a number of us who are incurring liabilities on the pension fund now. There is Mr. Lang, who is the sole survivor of the class of '74, unless you count Mr. Phelps. There is Mr. Penikett, who is the sole survivor of the class of '78. There is Mr. Kimmerly, who is in a class of his own, 1981. That is it. I should also note that there is already one beneficiary under this scheme, and that is the former Government Leader, Mr. Pearson.

**Mr. McLachlan:** The billings are assumed. Each year we go into it, you calculate liabilities for those who have reached six, seven and eight, even though it does not come for those who are Members of the present Legislative Assembly?

**Hon. Mr. Penikett:** This is quite a complicated actuarial scheme. It is not worth spending a lot of money trying to do it scientifically, because the turnover rate in this House is quite high.

There may be people who have been elected twice. You would assume, therefore, that they are automatically going to be eligible but, for one reason or another, may leave the Assembly before they reach the sixth year.

There are other people, like Mr. Lang, who shows every prospect of being here forever, who will earn more when he retires than he did when he was a Member.

The actuarial base of the thing is not very scientific or very precise, because while there are two of us here who are eligible now, the former Speaker, who will be eligible to collect shortly, and Mr. Kimmerly will be the next person eligible after that, we really do not know how many people are going to reach age 55 and actually benefit.

**Mr. Lang:** As you can see the fatality rate here is almost above the national norm. I would like to congratulate the Government Leader on having the foresight to be able to see down the road the prospects of good representation for Porter Creek East in the years to come.

**Mr. Phelps:** I think I would be remiss if I did not mention that in the Government Leader's last statement he does beg to differ with the Auditor General about the need for the kind of audit that the Member for Faro was referring to. The Member for Faro is the Vice Chairman of the Public Accounts Committee. However, it is an area that we have brought forward in Member Services Board and agreed to set aside for a year.

**Hon. Mr. Penikett:** I have a great respect for the Auditor General, but I think occasionally they recommend things that cost more than they are worth.

*On Retirement Allowances*

*Retirement Allowances in the amount of \$24,000 agreed to*

*On Death Benefits*

*Death Benefits in the amount of \$1.00 agreed to*

**Mr. Phelps:** Could my memory be refreshed by the Government Leader? There are additional provisions for life insurance that can be picked up by MLAs. Does that come out of a different fund?

**Hon. Mr. Penikett:** Those are plans that are available to Members as a part of the payroll plans that are available to employees. If the Member wants a discussion of those, we can do that under the Public Service Commission.

*Total Retirement Allowances and Death Benefits in the amount of \$24,000 agreed to*

**Executive Council Office**

**Chairman:** Executive Council Office - General Debate.

**Hon. Mr. Penikett:** The estimates for expenditures for the Executive Council for the 1986-87 year have not increased significantly over the estimates approved for the previous fiscal years. We are asking that you approve expenditures of \$4,080,000, which represents an increase of four percent over funds voted for 1985-86. There have been some changes made to the organization in the Executive Council. This is reflected in transfers of dollars and personnel assignments between programs.

Of particular interest is the increased responsibility for the former federal intergovernmental branch. It has been given the new title of Policy and Intergovernmental Relations. In addition to its established mandate in the intergovernmental area, it is responsible for central review and analysis of proposed departmental policies, and, when required, for the development of policy proposals.

To accommodate this increased mandate, the policy analyst who was formally part of the Executive Council Office Secretariat has been transferred to the Policy and Intergovernmental Relations Branch. Some funding for professional services has also been transferred from the secretariat program to this newly structured branch.

This transfer is reflected in the decrease in the budget for the Executive Council Secretariat, and partly accounts for the increase in budget for Policy and Intergovernmental Relations.

An additional \$120,000 has been added to the branch for the establishment of an Office of Devolution, which will coordinate negotiations with the federal government on programs and transfers.

<sup>47</sup> Five hundred dollars is also added to accommodate the additional

out-of-territory travel for the government's science advisor. This position has been seconded to us from Indian and Northern Affairs Canada to assist in the development and implementation of our science policy.

Members will note the considerable reduction in funding for Cabinet support program. This decrease is due primarily to the payout of leave credits and severance pay to the former government's political staff, which was reflected in the 1985-86 budget.

Under Administration, the Executive Council Office also shows a modest decrease in proposed expenditures. This is due to the transfer of one person-year and dollar assignment from Administration to the Land Claims Secretariat.

To rationalize departmental spending, and to increase the accountability of program managers for actual spending, expenditures for advertising and freight have been dispersed from Administration to the operational branches. Estimated cost increases in internal audit are for subcontract dollars. The branch is experiencing increased demand from departments for consulting services. It is estimated that the branch will be picking up additional demand through an increase in professional contracts.

The estimate for the Land Claims Secretariat has also risen over last year's figures. The changes are, once again, accounted for primarily in salary increases.

The Public Affairs Bureau shows an increase of \$63,000 over the 1985-86 estimates. During the course of this past year, 1985-86, \$50,000 was added to this budget by the previous government to accommodate short term assignments for freelance writing, photographers, graphic artists and other specialists. This figure is reflected in the 1986-87 estimates.

We are seeking additional funds for the Bureau of Statistics to enhance the government's commitment to a positive working relationship with Statistics Canada. There will be a census seminar held in Whitehorse in the 1986-87 fiscal year. This accounts for the increase in entertainment funding for that branch.

The Bureau's funding increase also reflects the hiring of a new secretary. This position was approved in 1985-86, but hiring did not take place until this year.

Two other points to be considered in reviewing the bureau's budget. First, Statistics Canada has instituted a policy of full cost recovery on intergovernmental activities. This has meant an increase in expenditures for information services and data dissemination.

Secondly, general supplies for the Bureau of Statistics were budgeted for economic development in 1985-86. These costs now appear under this program.

I trust Members will be encouraged by the minimal increase in the Executive Council Office's overall budget. I consider the Executive Council Office one of the most critical central agencies of this government. The services it offers and the responsibilities it holds are of major importance to the effective operation of this government.

**Chairman:** I would like to note the correction on page 22. Under Program of Expenditures, the Bureau of Statistics is 5.5 person-years as opposed to 8.5 person-years. That brings the total at the bottom of the page from 59.5 person-years to 56.5 person-years.

**Mr. Phelps:** I missed a couple of the points that the Government Leader raised. He did speak to the money that was set aside for paying those Order-In-Council people who left after the election. Could he direct our attention to that item?

<sup>48</sup> **Hon. Mr. Penikett:** I explained that by way of noting the difference between this year's number and last year's number, and pointing out that the reason for the number being inflated last year was because of that payout.

**Mr. Lang:** I notice the Executive Council Office Secretariat has gone from, what at one time was, seven, to 11. Are those all political appointments, for the purposes of Order-in-Council, as far as political appointments are concerned?

**Hon. Mr. Penikett:** When we get to that, I hope I will be able to give you the exact information. As we are still in general debate, I cannot seem to find it right away.

Of the seven person-years, there is a senior management position

presently vacant, which is being transferred to the Public Affairs Bureau. There is one committee clerk, one executive secretary, one regulations clerk, and three committee secretaries. One position is vacant at this time and is under review.

**Mr. Phelps:** Just to start on general debate before the break, with respect to the issue of policy development by the government, I understand that the government has added three person-years to what is now termed as Policy and Intergovernmental Relations. The Government Leader is saying that the additional three person-years is to monitor all policy creation forthcoming from the various departments of government. Is that correct?

**Hon. Mr. Penikett:** I am going by memory here, as I do not have it conveniently in my notes. We have two new positions, which are in the Office of Devolution. They are under that heading. There is the position that was a policy analyst, who, I think in the old organizational chart, was reporting directly to the Deputy Minister.

One person has been moved into Policy and Intergovernmental Relations. That person is a policy analyst. This branch will be undertaking a number of functions, not only the ones in connection with devolution but, as the Member opposite will know, has an analytical role in terms of Cabinet documents that will be flowing through, in terms of policy consistency, and relating it to what that branch will know is going on in different departments; a policy coordination role. There are also matters that have to do with intergovernmental and government-wide issues, which do not have a neat departmental responsibility. There will be some original policy research, which is required in that agency from time to time.

This is not a perfectly good example, but the science policy was developed in the Executive Council Office. Theoretically it would have been possible to have it developed in one of the branches that is actually doing science, such as renewable resources, or education, which has some ongoing interest in science, but, because it is of global, government-wide interest, the policy development was done in this department.

**Mr. Phelps:** What seems to be coming readily apparent is that the responsibility in the main for policy creation seems to be now within the various departments and those person-years are building some considerable cost in some of the departments. We can get to that a bit later, but is it this government's intention that most policy is going to be developed from within the line departments and that there will be a lot of contract policy creation as well?

**Hon. Mr. Penikett:** There is going to be a lot of policy developed in the departments. For all practical purposes it is obvious that it makes the most sense to have the most nuts and bolts work done on the transportation policy done in the transportation department. By the same score, there will be work done on economic policy that will principally be done in economic development. It will also involve, from time to time, depending on their interests, other economic departments such as finance, tourism and renewable resources. I have answered this question before, but we will also be using contractors, particularly where we require certain kinds of skills, for a short term.

I talked earlier today about the abuse of contractors. We do not intend to use contractors where it is really the work of employees, but there are all sorts of small policy projects that lend themselves most appropriately to the employment of contractors, especially where there is some urgency to the work.

Let me give another example to illustrate. We have done a fair amount of internal work on the free trade issue. A lot of that work has come from economic development. There is another dimension to the whole question, which is the intergovernmental dimension that has also been done by the Executive Council Office and what is now known as the Policy and Intergovernmental Affairs. That is a case where two departments were involved in a special project. There are, from time to time, issues where more than two departments are involved, and in those cases, this branch plays a very important coordinating role.

In addition, there are policy demands on the government — the responses to such things as the Nielsen Task Force, preparing positions for standing committees and so forth. The first call for such work goes to this department and this branch.

**Mr. Lang:** How many actual people in this government do we have who are designated to policy and planning in total, including this department? Do you have that information with you?

**Hon. Mr. Penikett:** I do not know the figures off the top of my head, but I will be able to find out. Under this administration, a new body has been established, which is a policy coordinator sub-committee of DMRC. As a matter of fact, I do not think all branches are represented on that because not all branches have policy people. It is a coordinating mechanism, which has been established in recent months. The exact count of people who could be described as doing this kind of policy work, I could probably calculate it on my feet thinking through the departments, but it would be better if I got a perfectly accurate figure for the Member.

**Mr. Lang:** I would appreciate it if you could get it for this evening because it does add to the debate. I want to have my concern registered here. I know that the structural plan that you are following, at least in part, is a result of the work that was done for internal review. I believe it was the Peat Marwick study regarding policy analysts and where they should be placed in the government. At that time, I had some reservations, and I still do, about the way it is presently set up. I understand that you are carrying that on with the addition of further policy people within the Executive Council. That is one reservation I have.

At one time, we did not have enough policy people. I am getting to the point of thinking that maybe we are getting too many. This is just an observation. The other point I want to make is in conjunction with that. With these policy people whom we have within the department, and the capabilities we have in Executive Council, the concern that we have on this side is the engaging of consultants at a great expense. I think, in deference to my colleague, the Minister of Community and Transportation, a significant amount of money is going out in the area of transportation. I know that some has to, but I really have to question the degree that we are going out for that kind of work, when I would think we would have someone in Economic Development or in Highways with that transportation background, at least in part. Why should we be introducing people from Ottawa to the Yukon, and trying to explain where Mayo is, at great expense incidentally. That is just an observation with respect to the structural overview of the government policy area. I think the government is taking some proper steps, quite frankly, in a number of these areas; however, I fear a number of duplications. I think that you are maybe going to find that you are going to be getting into some problems.

**Chairman:** The time now being 5:30, we will recess until 7:30.

#### *Recess*

**Chairman:** I will call Committee of the Whole to order. We are on Executive Council Office, general debate.

**Mr. Lang:** I was wondering how many Order-in-Council appointments were actually involved in this particular department, and I believe the Minister undertook to get that information for me.

**Hon. Mr. Penikett:** There is no substantial change from the last budget. They are: Communications Advisor; Chief of Staff; Executive Assistant to each of the five Ministers; one Constituency Liaison position, which is split between two part-time people; Secretary to the Government Leader; Secretaries to Ministers two and three and Ministers four and five; another Secretary who acts as a receptionist and does typing for other people including Executive Assistants; and, we have one person who is doing the data information inputs for the ASA Program, the government's mainframe computer, so there are thirteen all together.

**Mr. Lang:** What exactly are you talking about for the position inputting information for the mainframe? What information would they be putting on the mainframe?

**Hon. Mr. Penikett:** It is essentially a secretarial position, but the person operates one of those terminals and puts information in and gets it out for our office. There is a system that will be in place throughout the government for people to get information from the mainframe, such as where they are on their budgets, lists of information and things like that.

**Mr. Lang:** This is broad area, and it is an area I want to pursue in Government Services. My concern is with the privacy of the individual. To some degree, I think 1984 is here — not just here. I am talking generally in the western world as far as technology is concerned. I am concerned with the abuse of that kind of information being utilized, for whatever purposes, by the political arm of government. What is governing the checks and balances in this particular system so that there are no abuses as people poke into this information?

**Hon. Mr. Penikett:** I think, when you get to Government Services, the Minister will be prepared to discuss this in some detail. Some of us had a briefing a few weeks ago on the computer systems as operated by the government. Only the departments that have the access codes for the programs can get into those with sensitive information such as that, for example, Health and Human Resources, and that is a very restricted number of people in that department. We cannot access that stuff, nor can we access certain kinds of financial information about people.

There is controlled access for sensitive information. It is controlled quite rigidly.

**Mr. Lang:** By whom?

**Hon. Mr. Penikett:** By the people responsible. In Health and Human Resources, there are a certain number of people who are responsible for maintaining records about welfare information. In fact, that may not even be on computer. There are people in the department who are empowered and responsible for controlling access to health records. For example, I cannot go and get information about someone's health records, nor should I be able to. I do not want to.

I am not an expert on computer technology; I know very little about them. Maybe when we get to Government Services we can talk about it, but there are controls. I suppose it is analogous to having a key or a combination lock. You have to be able to access the programs, and you cannot do that without knowing the access codes, I think they are called.

**Mr. Lang:** For interest of Members, would the Government Leader be prepared to arrange a tour for Members of the House who are interested in seeing the same kind of program that you had said that you had seen in a show and tell situation?

**Hon. Mr. Penikett:** It would be the responsibility of the Minister of Government Services to offer such a tour, but I take it he has no problem with doing that.

**Mr. Lang:** I see the Minister nodding his head. I recognize there is a key, and I recognize that there are only a few people within government who know how to run these particular machines. What is there to prevent the Government Leader from ordering certain material or to have access to, i.e., welfare records?

**Hon. Mr. Kimmerly:** There are two issues. One is the authority of a Member of the Cabinet, I suppose. The other is the accessibility on the computers. The accessibility on computers is safeguarded by various passwords, or formulas, that we are not privy to. The issue of the executive authority, if you will, is an interesting question. I will research it before the Government Services Main Estimates.

**Mr. Lang:** Just to pursue that a little further, I did give the Minister notice in a private conversation, as well, that this is an area that I intended to pursue. What legislative authority is in place, either federally or territorially, and if there was not, why not, and what could be put into place? It is an area that could open itself up to abuse. Forget the technical side of it, how you get access to it. I know we pay people to do that. My concern is the actual information. I will leave that until we get to Government Services, if he wishes.

As far as the policy is concerned, I asked a number of people who were involved in policy positions within government. The Government Leader undertook at 5:30 to see if his staff could get that information for me.

**Hon. Mr. Penikett:** At 5:30, most of the people who could have given me that information had gone home. I could not get an accurate count. The best I can do is to get it for tomorrow.

**Mrs. Firth:** When the Government Leader listed his support staff, did he include the Communications Advisor?

**Hon. Mr. Penikett:** Yes.

**Mrs. Firth:** Is it, therefore, safe to say that, because his salary comes under the Legislative Assembly Office, it is not an OIC appointment?

**Hon. Mr. Penikett:** No. In that respect, it is exactly the same status as the staff of the Members of the Official Opposition.

**Mrs. Firth:** The position of Communications Advisor was being filled on a contract basis. I understand that position is now full time?

**Hon. Mr. Penikett:** Yes.

**Mrs. Firth:** I have one more question about the Executive Assistant to the Minister of Education and Community and Transportation Services, whom I heard was not an Executive Assistant, but was doing policy matters within the department and had been replaced by another individual, one of the secretaries who was to be the Executive Assistant. Could the Government Leader tell us whether he is an Executive Assistant?

**Hon. Mr. Penikett:** Lest the Minister of Community and Transportation Services has done something he has not told me about this morning, or today, he was an Executive Assistant when I checked this morning.

**Mrs. Firth:** When I checked the other day, he was not an Executive Assistant. That is why I asked the question. I had phoned and was told that he was not the Executive Assistant, that there was an acting Executive Assistant, and the individual was in the Department of Education doing some projects, I believe the term was. I just wanted to know what those projects were, and if there was, in fact, in his capacity as an acting Executive Assistant.

**Hon. Mr. Penikett:** No. The person in question, as far as I know, is doing policy work, and is doing it in the capacity of an Executive Assistant. It so happens that, while this House is sitting and while that office is very busy, there is some temporary backup secretarial help, which we have retained for a few days in order to deal with the volume of work there. But that is the only change in that office. The Executive Assistant, unless there has been some personal changing of job titles, is still an Executive Assistant as far as I know.

**Mr. Lang:** The Government Leader rattled off a list of people who are Cabinet support staff. Could the Minister tell me what the increase of three person-years are? The previous budget stated 10 person-years and now we are dealing with 13 Order-In-Council appointments.

**Hon. Mr. Penikett:** There is not an increase.

**Mr. Lang:** I beg to differ with the Minister. Unless we were given a faulty piece of information for 1985-86, there are 10 Cabinet support staff on page 22 of the O&M Mains of 1985-86, and on page 22 of the O&M Mains for 1986-87, we are dealing with 13. Where did the increase take place?

**Hon. Mr. Penikett:** The number 10 may derive from the number that the previous government had in their budget from the days when the budget was originally crafted. We could not get an accurate count of how many people the former Government Leader had on his staff. Were there 25 people in the Government Leader's office under Mr. Phelps? There have been no positions added to the Executive Council Office since the time that we talked about it last year.

The substantial difference is that all the secretaries in this count are OICs and listed as OICs, whereas, I believe, in Mr. Phelps' time, some of the secretaries were still listed as public servants.

**Mr. Lang:** I have two documents in front of me. I do not need any rhetoric about the previous government. I am asking about a document that we tabled and we passed that had 10 OIC appointments for Cabinet support staff. That is on page 23. Now the Government Leader is asking us to give approbation to 13 political appointments. All I am asking is what those three added positions are? It is very difficult to tell. I am not involved in computers, and I do not have access to computers either.

**Hon. Mr. Penikett:** I do not know. I will have to go back and check the debate from last fall and last spring to find out how many positions there were, because there was much confusion under the operation of the previous government as to how many positions were Order-In-Council, how many positions were public servants

who were included in the old Government Leader's office.

In terms of the political staff, there is the Communications Advisor, the Chief of Staff, Executive Assistants, and the constituency people. There have been no positions added. The one difference, I am going on memory, is that the secretaries to Cabinet Ministers in this operation are Orders-In-Council, as opposed to being in the public service.

**Mr. Lang:** I beg to differ. The fact is that when I was part of the government, my Executive Assistant's secretary, who played a dual role, was an Order-In-Council appointment. I know that for a fact. I do not think this is a frivolous question, and I do not like the arrogant attitude being exhibited here. All I asked was why are we increasing from 10 person-years to 13 person-years?

**Hon. Mr. Penikett:** I have to defer to the Member opposite, because he is an expert on arrogance. He is clearly the most arrogant person I have ever met in politics. When he speaks in arrogance, I will respect his judgment about what is arrogant.

I am not treating the question frivolously. I am telling him again that I will go back and check the accounting for the numbers in the budget. There are no more Executive Assistants. There are no more Constituency Advisors. There are no more Chiefs of Staff. There are no more Communications Advisors.

**Mr. Lang:** I will send over the 1985-86 budget that was tabled and passed in this House. I have very clearly delineated 10 person-years in that budget. You are asking our approbation for 13. I just wanted a general overview of the politics of the office. I wanted to know why there was an increase in person-years.

**Hon. Mr. Penikett:** I will go back and find out why there is a difference between the 10 that is in the 1985-86 estimate and what is in the 1986-87. I will come back with an explanation for the Member.

**Mr. Lang:** Could I just put the government on notice that when we go through the budget and we see differences like that, it is an automatic question for anybody. You do not have to be Einstein's close cousin to figure out there is a difference. These are the types of questions that do come up. With that increase, I would like to know how we can have a Cabinet support of that much of an increase, and in 1984-85 we only have a \$30,000 increase in the budget?

**Hon. Mr. Penikett:** I will go back and check the numbers and what the basis of the numbers was in the 1985-86 estimates, and the numbers in the 1986-87 Mains, and I will report back to the Member.

I would just point out to him that the original numbers were passed, for the 1985-86 estimates, by the previous government. The 1984-85 actual, if you look at the same budget sheet, shows that there were 13 positions under the Pearson administration. I believe the staff administration for our office is basically the same as it was in the Pearson administration.

**Mr. Lang:** First of all, there was nothing cast in stone for the new government when they took office. In fact, the budget had not been agreed to by the previous government, in view of elections and whatever. To keep sending it back to the previous government, is not the point. All I want to know is why we have a further politicization, in Order-in-Council, for the purpose of running this office.

I will leave that side of it, expecting an answer tomorrow. In conjunction with that, we could find out why there is no difference in dollars, as far as the line item is concerned. I would further ask the Minister if there is anybody on contract presently with the government who is going to be on for some time? The thing that does come to mind is the secondment of Wolf Riehl for land claims, and things of that nature, in a general context. What are we looking at for contractual arrangements from ECO for running the office in the forthcoming year, over and above this particular line item?

**Hon. Mr. Penikett:** If we are dealing with the line item now, Cabinet Support, I believe the reason that the number for 1986-87 is lower than the number for 1985-86, as I already explained in my opening statement, is because the change in government last May required termination of the payout leave credits and severance pay for 13 Order-in-Council people. No matter what the budget says — of 10 — there were 13. That explains why the 1985-86 number is

higher than the 1986-87.

**Mr. Phelps:** I am lost as well. In the fall there were 10 and now there is 13. The forecast, which I gather was made in December, three months ago, was for \$789,000. Surely you can explain what the \$789,000 was for; how many person-years?

**Hon. Mr. Penikett:** If the Member is asking me for detail about \$789,000 for last year's budget, I believe that the actual payout number is provided for in the line item below Cabinet support, in personnel, page 24. You will see \$624,000 for 1985-86 and the actual number for personnel is \$501,000 this year.

**Mr. Phelps:** I understand, I think, that the Government Leader is going to come back and explain the discrepancy between the 10 and 13 person-years, so I guess we will move on.

On April 14, the Government Leader promised to provide information regarding the question if ECO contracted out consulting services with regard to devolution of programs or jurisdiction from the federal government to YTG. Is that information forthcoming now?

**Hon. Mr. Penikett:** I am advised that the only contract in connection with devolution was let outside the government to Mr. Charlie Tunis. It was a contract for less than \$5,000. It was for some research on some constitutional matter and required a person with specific expertise to analyze documents within a short period of time.

**Mr. Phelps:** Can the Government Leader tell us about whatever has been done by the government with regard to the issue of devolution of jurisdiction or programs from the federal government to YTG? First of all, how many people have been working full time on this issue?

**Hon. Mr. Penikett:** Once we fill the two positions in this budget, these two people will be working full time. There has, heretofore, been nobody who has been working solely and exclusively on devolution. We have a sub-committee on devolution that includes representations from the Department of Finance, Public Service Commission, ECO and others.

**Mr. Lang:** As we get into negotiations on particulars, the Office of Devolution will do the day-to-day work of coordinating his activities. We are, or will be shortly, in negotiation with Mr. Crombie in terms of agreeing on a mutual timetable for the devolution in the next couple of years. I am sorry I do not have a list handy. I do, but I cannot find it. It is a list of all the programs that we are currently negotiating transfers of. They range from Arctic B and C airports, the northern minerals program, health services. Starting at the top it would be, of course, NCPC, fisheries, some other small programs.

Unfortunately, I know that I have a list somewhere in my material, and I could probably find it when we get to that specific line, but I cannot find it just off the top of my head. I do not have it handy here.

**Mr. Phelps:** I will not get into too much detail until we get to the line item, but I will be getting into more detail at that point, and I serve notice. On Monday, April 14, there was also a commitment by the Government Leader to provide substantial answer re a package to the federal government for amendments to the *Yukon Act*, and I would expect that he would be in a position to answer questions on that as well.

**Hon. Mr. Penikett:** I will try to answer the question on that point. I will save it until we get to the line.

**Mr. Lang:** The Minister has mentioned the Nielsen Task Force Report a couple of times. Just exactly what is the government doing as far as those particular documents, which have been made public, are concerned? Has the government taken any formal positions in any area?

**Hon. Mr. Penikett:** What the ECO has basically been responsible for, in terms of the Nielsen Task Force, is analysis. When we received the report, we issued a call to all departments to analyze it in terms of its impact on them. The responses have come back from the departments. They will be analyzed by the ECO. That will then get developed into a Cabinet submission and then go to Cabinet. Where we go from there will be decided in Cabinet.

**Mr. Lang:** What time frame is the Minister working under with respect to a reply to the document in question?

**Hon. Mr. Penikett:** We are hoping to do it fairly shortly. A lot of things get backed up when we are in Session, and we cannot have the kind of lengthy Cabinet meetings or the kind of detailed considerations the Ministers like to give to some of these questions. We have completed the first cut, in the sense that we now have the responses from the departments. I expect for that material to be collated and integrated, and turned into a Cabinet submission to take a week or two. I am not sure how long Cabinet will want to take to deliberate on that.

**Mr. Lang:** I trust that the Ministers on the other side are still having Cabinet meetings. I would find it difficult to believe that they were not.

In the general context, does the Minister see the ramifications of that report having severe or significant effects on the government? I am sure he must have read it by now.

**Hon. Mr. Penikett:** As a matter of fact, I have only read summaries. I have not had time yet. It is one of a stack of about four feet of documents on my counter that I have not had a chance to read yet.

**Mr. Lang:** I still have not had an answer to my question. I am assuming the Government of Canada is asking the provinces and the territories to reply within a certain timeframe, if possible. What timeframe has been given to the government, from the Government of Canada's point of view, to hear this government's position, so they can further consolidate whatever budgetary plans they have in the future?

**Hon. Mr. Penikett:** I understand that no specific timeframe has been given by Canada to the various people who will be responding. The Task Force Report, as the Member will know, is wide-ranging, and has implications both in the short-term and in the long-term. Some of the suggestions in it have already been specifically rejected by the federal government. Some, I expect, will be subject to further study. Some of them will be quite controversial.

Mr. Nielsen and others have emphasized time and time again that the Task Force Report is not government policy. I expect that if this is going to be a centrepiece for the federal government, and very important in terms of their plans and their deliberations. We want to make sure that we respond to it carefully.

**Mr. Phelps:** The Government Leader spoke in terms of responses coming back from the various line departments about the Task Force Report, and then some kind of work being done for Cabinet. Who would do that? Which program would do that work for Cabinet?

**Hon. Mr. Penikett:** The integrating would be done by Policy and Intergovernmental Affairs.

**Mr. Phelps:** What does the Government Leader mean by "integrating"?

**Hon. Mr. Penikett:** The Member for Porter Creek East indicates that he has read it. That is interesting to me. We are talking about something that is 22 volumes. A lot of people who put it together were working full-time for over a year. There were many different task forces involved. It is, therefore, quite complex. The document has been sent, where appropriate, to the different departments to respond to. Policy and Intergovernmental Affairs will be taking the departmental responses and attempting to pull them together into one statement. I assume that there are some common themes and common threads that are running throughout, not only the task force, but also part of the work of Policy and Intergovernmental Affairs will be to pull some common responses together for this government.

After it has been pulled together and analyzed further by the central agency, some options and recommendations will be written into the Cabinet document, as it is drafted, and Cabinet will be presented with some clear choices.

**Mr. Phelps:** This sounds like a fair amount of work. I wonder if that work is going to be done by one of the three new positions, and hence the change of name to Policy and Intergovernmental Relations. If that is the case, I hope it would not take priority over issues relating to devolution, since it seems that the government is far behind in that initiative.

**Hon. Mr. Penikett:** I am sorry but I missed part of what the

Leader of the Official Opposition was saying. One of the three new positions is not a new position but is simply moved from the Policy Analyst position reporting directly to the Deputy Minister to be under Policy and Intergovernmental Relations. The other two positions are Office of Devolution positions.

There are three people in the department called Policy and Intergovernmental Officers, who are there now. One of them has been assigned the principal responsibility for the awesome task of pulling all of this material together from the departments.

**Mr. Lang:** Did I hear correctly that the policy position that the Minister talked about was one of the 13 that we were initially discussing?

**Hon. Mr. Penikett:** That is right.

**Mrs. Firth:** What is the position of the government on the Eric Nielson Task Force Report? Is the government going to be taking a public position as far as this document is concerned once they have completed their deliberations?

**Hon. Mr. Penikett:** I expect so, but I am not sure, given the range and complexity of this document, that we will have a single response to the whole thing. We may have responses to some of the particulars in it. We may respond in different ways to different parts of it. I just do not know that yet.

**Mrs. Firth:** I would like to get that clear because there have been times when positions have been put forward in a private manner, then six months later we get a copy of what the position was. Do I understand the Minister correctly that, once the government has taken a position, every effort will be made to make it a public position on behalf of the government?

**Hon. Mr. Penikett:** Our general response to it will be made public. There needs to be some specifics. The Member has clearly not read the document as he was chastising me for not. There are some particulars that are very project and program specific.

We may, rather than putting out a press release or making some public statement in the House, be communicating directly with the federal government department responsible, or, in some cases, communicating with the private sector people responsible because there is a lot of private sector input into the Nielson Task Force. We may, for example, before we take a position, want to have further consultation with groups or organizations in the Yukon communities.

**Mr. Lang:** I have read parts of the report. I have not read it in its totality. How much money is there for contracts and various things over and above the salary dollars and benefits?

**Hon. Mr. Penikett:** When we get to discussing the Executive Council Office Secretariat line, I believe we may have slightly reorganized the work here. We have the money requirements for professional services in that item.

**Mr. Phelps:** Perhaps for further clarification with regard to that answer, does that mean that the Communications Officer position, the secondment for land claims, does not come under Other in the line item for land claims?

**Hon. Mr. Penikett:** It comes under land claims, but it is a secondment. I will explain it when we get to that line.

**Mr. Lang:** Do I take it from the Government Leader that he does not have a total figure of what money is available to the Executive Council over and above salary and fringe benefits that are a requirement of the budget?

**Hon. Mr. Penikett:** Can I can be sure what the question is? Is he asking what the requirement in this total budget is for special and professional services for special projects and requirements for constitutional research and whatever? That is found under the Executive Council Office Secretariat on page 27. Under Other you will see an item of \$151,000 and that is the amount for that purpose in this departmental budget.

**Mr. Lang:** The same applies for Administration. There is \$166,000 on the following page. Over and above the actual dollars enclosed in this budget and fringe benefits, how much money is there over and above, breaking out the dollars, the fringe benefits and salary dollars?

**Hon. Mr. Penikett:** Can the Member repeat his question. I am not sure what he is talking about.

**Mr. Lang:** It was quite a simple question really. I see 56.5



man-years. I see \$4,000,080. Breaking out the salary dollars, all the fringe benefits equated to the man-years that you have identified here, what amount is left over in this particular vote? Is it \$50,000, is it \$1 million or is it \$50,000.

**Hon. Mr. Penikett:** Is the Member asking what money over and above that amount is there? If we take a minute and go through and add the pages, page by page, I will try to get an answer for the Member. I am not sure what he is driving at, but I will try to get the number.

**Mr. Lang:** One of the concerns on this side of the House is that the statement has been made numerous times that, other than for the fall session, or the next session, when we deal with the supplementaries, there can be no overruns in the departments. We would like to put the Ministers on notice that we want to find out, over and above the salary dollars and the fringe benefits, how much money is involved in each department for contracts, or whatever pursuits the government intends to take.

**Hon. Mr. Penikett:** I see what the Member is getting at in the question. If he looks at page 22, there is the personnel dollars, which is \$2,594,000. The Member is asking how the \$1,456,000 is broken out.

**Mr. Lang:** I was always under the impression — maybe I am wrong — that Other also included some personnel costs. If it does not, then we know what that figure is, and I apologize to the House, if it is \$1,456,000. Why would we have such a dramatic increase in this particular department in this area? We are going from \$1.2 million to almost \$1.5 million "other".

**Hon. Mr. Penikett:** I will have to do some arithmetic, and try and check the number. I have been handed a number that shows me that, in the total budget, including contract research that may be required in land claims, statistics, internal audit — which also has some contract dollars — that we are talking about \$219,000.

**Mr. Lang:** Could the Minister tell me exactly what is in Other? What does Other in the line item in the department entail?

**Hon. Mr. Penikett:** Other includes a whole range of things. Let me just list some of them: travel, postage, the contracts we talked about, and such things as that. If the Member wants, on a departmental-wide basis, an assembling of the different coding of those numbers, rather than looking at it on the line-by-line basis, I will try to put those numbers together for him. I do not think I would be able to do it right now, though.

**Mr. Lang:** Is the Minister saying he has that information, line-by-line, for discussion?

**Hon. Mr. Penikett:** Yes, in a general way, unless the Member is going to get down to last dollars. Also included in that, for example, is advertising under Public Affairs, which comes under Other as well. There are a lot of things like that that add up to the Other. When we get into the specific lines, we can give some detail about each of the lines. If the Members ask for further detail, we would be able to get into even further detail about the lines.

**Mr. Lang:** Just to give the government notice, those are questions that are going to be asked. I am sure that they have that information. I am sure the computer is still working, the same as it used to.

Could the Minister give us a broad idea of what his ambitions are with respect to federal intergovernmental and the policy of the federal intergovernmental area of the government? I know there is a line item, but I just want to know the general direction that the Government Leader intends to take in that particular area, because he was, at one time, very critical of the office being established. He also said, at one time, that he would change it.

**Hon. Mr. Penikett:** The Member is asking specifically about a line item, which is the office in Ottawa. I am pleased to indicate to the Member in a general way what my plans are. I am going to, in this coming fiscal year, I hope, at the point of retirement or reassignment of Mr. Harry Murphy, who is there now, take a close look at every single expenditure associated with the office.

I will see if all of them are warranted. If the quarters that they are in are excessive, as there has some argument made to me that there is some of the office space not being used, my inclination at this point is to not touch the fiscal relations office position that is there, because it is an extremely valuable position to have there, and has

made a lot of money for this government. That is one thing I am not going to change.

Rather than having a single senior official of the government posted to the position, I may want to send senior officials, perhaps on a six-month or one year rotation, into that office. It may, from time to time, be someone who is in the intergovernmental relations field. It may be someone from the public affairs field.

If we are going through a period where we are dealing in tense relationships with the federal government on some particular matter — such as if we were doing negotiations for a new formula financing arrangement — I might be inclined to have another finance officer working there doing some other work, but also being present to handle the negotiations.

Rather than assigning someone there for many many years, the idea of having someone there for six months or a year who is more current on the thinking and activities of the government might be useful. It does, of course, take some time to develop a network of contacts. We are still at the stage where most of the people we have need to contact are in one department's bureaucracy. We do have some political friends in Ottawa, in all parties.

It may or may not be necessary for the person in Ottawa to carry out communications with those people. There are telephones and letters. We are all in contact with people in Ottawa. I have made no final decision about who might be the people who would go. At this point, that is my thinking about how I am inclined to restructure that office.

**Chairman:** Is there any further general debate?

**Mr. Phelps:** Does the Government Leader have any observations to make about the increase, from the \$3.2 million 1984-85 actual to a forecast of over \$4 million for the past year and this year?

**Hon. Mr. Penikett:** The big increase was, of course, 1984-85 to 1985-86. I will have to go back and find out exactly what the basis of that was. I am quite happy to return tomorrow with that information.

**Mr. Lang:** I understand the Government Leader's position on the financing. He indicated to us that we had an increase of \$80,000 because of the change of government and staff, yet at the same time we have significantly more in 1986-87 Mains despite that amount in the 1985-86 forecast, the way the figures have been presented. So that is another area that should be explored a little further by the Government Leader.

**Hon. Mr. Penikett:** If he is asking about the difference between 1985 and 1986, which is about a four percent increase, I have already explained that. The most significant reason there is the creation of two positions in the Office of Devolution.

**Mr. Lang:** The point is we had, in 1985-86, apparently a substantial payout for people who had left because of the change of government, and that is fair ball. But at the same time, in 1986-87, we had a combination of that plus \$68,000 that is included in the 1986-87 budget.

**Hon. Mr. Penikett:** The most significant thing I can recall, I understand the payout was a hundred and some thousand dollars, I cannot remember the exact figure, but I will get back on that. The Office of Devolution is \$120,000. In addition, between the time the budget was first cast, before the election last year, Management Board of the previous government approved \$50,000 extra in public affairs. I guess it was supplementaried, but it is finally now represented as part of an additional sum. That explains part of the growth over the years in this budget as well. Those three figures are the most significant ones in terms of explaining the changes.

**Mr. Lang:** Has the Minister had the ability, since his time in office, to review the public affairs area? If he has, has the government made any major policy decisions as to the direction the Public Affairs Branch will go in the forthcoming year?

**Hon. Mr. Penikett:** We are still assessing some of those things, but let me tentatively say to the Member that I think, from my observation, the public affairs operation now is very print-oriented. Much of its productivity is involved in press releases and production of fairly simple print material. We are clearly moving into that age, even in this community, and I understand we are some months away from having a CBC television crew being

located here. We have one more radio station, CHON-FM, than we had a few years ago. There is an increasing orientation for radio and television material, the vignettes the Member was talking about the other day and other types of print and promotional literature and so forth.

<sup>15</sup> The Public Affairs operation is going to have to get much more oriented in that direction, since that is the trend everywhere in the modern world. I am not sure that, at the current staffing levels, we are able to meet all the demands that are put upon us. As the Member also knows, we only have one local advertising agency now. We used to have two. We only have one now, which does a lot of business for this government. I do not think we can put all that work on one agency.

**Mr. Lang:** I have further questions on the line-by-line items. Does the Minister have a total of what travel is expected to cost in the forthcoming year?

**Hon. Mr. Penikett:** Does the Member mean for the Ministers, or for the entire government, or under the Executive Council Office?

**Mr. Lang:** We are dealing with Executive Council Office. I do not think I have the ability to ask for the whole government. What is the amount budgeted for total in travel in this department? As far as the individual Members are concerned, we can get into that in a line item.

**Hon. Mr. Penikett:** We will have to go through each of the lines and break out how much is allocated for travel and then come back and total it up. I will do that for the Member.

**Mr. Lang:** I appreciate that. One other area that I wanted to discuss is the Bureau of Statistics. Last fall, we discussed the question of whether this bureau should be in this particular department, or if it should be elsewhere, i.e., Economic Development, or whatever the case may be. The Minister, at that time, indicated to the House that he was looking at it and I had made some representation that, because of my limited knowledge, perhaps it was better outside the confines of the Executive Council Office, which is the political wing of the government.

Do I take it, in view of the fact that this particular area is in the department, that the decision has been made that it is going to stay in Executive Council Office? Is that correct?

**Hon. Mr. Penikett:** Yes. There are three different points of view on the subject. My original prejudice was that the Bureau of Statistics, because of the priorities of this government and the kind of demands that will put on it by the government, would be most appropriately located in Economic Development.

The view of the people in the bureau was that their independence and integrity would be best protected by being located in a central agency like the Executive Council Office, so that they could respond to requests for statistical information from all branches of the government, and the citizens, and that they would not feel themselves to be a sub-branch, or a branch of the Economic Development, simply generating data for that agency.

The views of the branch were expressed very strongly and very forcefully. I said that I was inclined to look at the situation of it being in the Executive Council Office for a budget year before I made my decision. I have seen no practical reason why it is any particular problem with them being in the Executive Council Office. They seem content with that arrangement. It presents no particular problems for anybody else in Executive Council Office. It seems to be working satisfactorily. I say that, even though my original prejudices were that it should be with Economic Development, since that was the department that was going to have the greatest need of its services, it seems to be a reasonably happy and workable arrangement the way it is right now.

<sup>16</sup> **Chairman:** We will now have a recess for 15 minutes.

#### *Recess*

<sup>17</sup> **Chairman:** The Committee of the Whole will now come to order. We will continue general debate.

**Mr. Lang:** I had a question about committees reporting to Cabinet. My understanding is that you have a Deputy Ministers Review Committee, and I am assuming it is set up the way it was

previously. Secondly, there is Management Board. Are there any other committees that are being set up over the course of the last year that report to Cabinet or in the internal workings within this particular department?

**Hon. Mr. Penikett:** Not that report directly to Cabinet. There is, as I mentioned this afternoon, in addition to the DMRC, a Policy Coordinators Sub-committee of DMRC that is new. There was previously an administrators sub-committee of DMRC; that continues to exist. We have no new committees reporting to Cabinet. The only new committee reporting to the Management Board is, of course, the Program Evaluation Committee.

**Mr. Lang:** I have a question for the Minister on an executive council office act. Is the government working towards that end for tabling the legislation here in the near future?

**Hon. Mr. Penikett:** As a matter of fact, we have an Order-in-Council act in draft form, and that act could be brought to the House with very little notice. The question is to the degree of urgency. As we have discussed in the House before, there is some uncertainty about the legal status of OIC-appointed people in this government. There are some people who believe that we need a proper legal framework for OIC-appointed people and the situation that has existed for a number of years now is legally uncertain. <sup>18</sup> I think that there is a very good argument, but I do not know how urgent it is that we take action to rectify it.

**Mr. Lang:** The reason I ask is that I know a lot of work has been done over the years. It has evolved as the government evolved. Who is on the Program Evaluation Committee? How long has it been in existence?

**Hon. Mr. Penikett:** It has representatives from the Department of Finance and the Executive Council Office. It had a representative from the Department of Education and from one other department, but these two incumbents left the government and were replaced on the basis of departmental representation. There is now a senior member from the Department of Justice, a senior person from Government Services, the head of the Statistics Bureau, and one person from Finance.

**Mr. Lang:** How long has it been in existence?

**Hon. Mr. Penikett:** I believe that it was last October or November that we properly constituted the committee, and that we received the first reports of the committee.

Since then work has gone on. They now have a work plan. The programs and the departments that are to be evaluated in the coming year have been decided upon. A consultation with other program evaluation units in the country has gone on. A mandate has been established by Management Board.

After some consultation and debate, a decision was made as to which central department it would relate to; whether it would be ECO or Finance. That was resolved in the end in favour of Finance.

Some argument may be made as to whether or not this constitutes a victory, given that the people doing the program evaluations may not always be popular with the people who they are evaluating.

We are proceeding on the basis that where program evaluation works best, it is done with the cooperation and consent of the client departments.

<sup>19</sup> Saskatchewan, for example, which has a very good system, has evolved, over the years of doing program evaluation. They claim it works much better than the federal system. There are arguments pro and con about how well the federal system works. There are a number of schemes to make program evaluation more palatable to the departments. For example, money that is saved by program evaluation, or savings that are identified with program evaluation, are allowed to be kept in that department for the new initiatives.

They also have, after a fairly stormy beginning, now got to the position where they guarantee no layoffs as a result of program evaluations in Saskatchewan. Programs that may be cut or retired, the employees are reassigned or given other duties, which has made people less defensive and less obstructive, when it comes to the evaluations.

**Mr. Lang:** Is it possible to have a copy of the guidelines for this particular organization tabled in the House? It is going to be very important in the development of the budgetary process of the Yukon.



**Hon. Mr. Penikett:** I can table some of the mandate of the program evaluation and its composition, and some basic things about that. At this stage, I could not offer to give the information about its particular work plans, because I think I would have to treat that as an internal document, at the moment, until we get the work completed.

**Mr. Lang:** I did not say workplans. I am looking for the mandate. In a broad overview, I was kind of curious what departments have been targeted by the government for a review?

**Hon. Mr. Penikett:** It is not departments that have been targeted, it is a number of programs in departments. Rather than depending on my memory, I think I will have to get back to the Member on that. There are four programs in four different departments that have been targeted for review. In some cases, they are major programs.

<sup>20</sup> **Mrs. Firth:** Is the Program Evaluation Committee going to be an ongoing committee, for ever and ever?

**Hon. Mr. Penikett:** Yes, and I feel bound to mention that it has nothing to do with this part of the budget, of course.

**Mrs. Firth:** Is that because the Department of Finance is taking the lead role? The Government Leader is indicating yes by nodding his head.

I would like to ask some policy questions regarding the office of the Executive Council and Public Affairs. The Government Leader, when Chairman of the Public Accounts Committee, expressed concern about politicizing information from the Executive Council Office when it came out of the Public Affairs Department. When the Public Accounts Committee questioned the deputy minister about guidelines, we were told that the individual who was working on them had left and that was as far as they had advanced.

Does the Government Leader have any intention of establishing a policy regarding public affairs, advertising, communications and news releases coming out of this department, and, if so, when?

**Hon. Mr. Penikett:** I thank the Member for reminding me of that. I hope she will understand that, among all the other things, I have not spent time recently thinking about it, but feel it is an important question and I would like to take the matter under advisement. I do not expect to be able to report during this estimates debate, but I would like to think about it for a period of time and come back with a considered answer.

**Mrs. Firth:** I will be following up on that matter then.

The other general policy question I had was regarding the government's local hire policy. During the Public Accounts Hearings, we were told by the Deputy Minister of Government Services that the Executive Council Office was working on a local-hire policy and it was to be made public within a week or so. That was quite some time ago. Can the Minister give us an update on that local-hire policy?

<sup>21</sup> **Hon. Mr. Penikett:** I will have to check the Public Accounts transcript. I do not remember that. The two departments that I know of that were working on the local hire policy were Government Services and the Public Service Commission. The Public Service Commission is concerned with local hire as an internal matter, or as it affects this government and its relationship with the recruitments from this community. In the Budget Speech I announced some of the initiatives we are taking in that area, and we will be elaborating on them further when we get to the PSC Estimates.

The question as it affects Government Services and the issue of contracts is something I invite the Member to discuss with the Minister when we get to that department. There is really nothing specific in the Executive Council Office on that subject at all.

**Mrs. Firth:** I believe I am correct in saying that the Deputy Minister of Government Services did say that the local hire policy was being developed in the Executive Council Office, and was due to be made public very soon. Perhaps the Government Leader now is saying that it is the Department of Government Services that is developing the local hire policy. Is that correct?

**Hon. Mr. Penikett:** I do not know what was actually said in the Public Accounts Committee, but the policy development involved two departments: Government Services and Public Service Commission. Initially, the work on the question was done by a researcher who was filling the slot of the Minister of Justice's

Executive Assistant, which may have given the impression that it was being done by the Executive Council Office as a whole. It was being done in a Cabinet Minister's office, that is correct, but not by the Executive Council Office.

The Member for Porter Creek East is looking puzzled. I do not know what his question is, though, so I cannot answer it.

**Mr. Lang:** I find it hard to believe that a Deputy Minister would be a witness to the Public Accounts Committee and not be aware of where the policy was being developed.

**Hon. Mr. Penikett:** I have not checked the reference, so I do not know exactly what was said in the Public Accounts Committee. If a Deputy Minister said it was being done in the Executive Council Office, because he was aware that the person was working for a Minister, he may have not made the distinction between someone who is working for a Minister as an Executive Assistant, and doing this work, and someone who is working for the Executive Council Office.

If they were working for the Minister as an Executive Assistant, it was being paid for by the Executive Council Office, but it was not policy work being done by the Policy and Intergovernmental Relations branch of the ECO.

**Mrs. Firth:** I am just checking on the reference, and I will report back later if the Committee is still sitting, and I can verify it for the Government Leader.

#### *On Cabinet Support*

**Hon. Mr. Penikett:** The objectives of this program are to assist Members of the Cabinet in fulfilling their political and administrative responsibilities through the planning and establishment of government priorities, through the analysis of policy issues and through the provision of necessary administrative services.

There are two amounts here: \$501,000 for Personnel, and \$176,000 for Other. The Other dollars are made up as follows. For Executive Council Minister 1, \$50,000, the objective of which is to provide costs associated with the administration and operation of the Government Leader's office. This activity provides for the following: travel inside and outside the territory, telephone and other communication charges, and hospitality services.

<sup>22</sup> For Minister No. 2 there is \$29,000 projected to provide for costs associated with the administration operations of this Minister's office. This activity provides for the following: travel inside and outside of the territory, telephone and communication charges, and hospitality services. There is a notable increase in this Minister's budget for the funding allocated for out-of-territory travel. It is the Minister of Tourism and Renewable Resources. This has risen from \$15,838 in 1985-86 to \$22,000 in 1986-87. The money allocated for travel in the territory has increased from \$2,400 in 1985-86 to \$2,500 in 1986-87.

There is also a \$100.00 increase in the communications expense. However, travel for Ministers overall has not increased. It has been reapportioned depending on Ministerial responsibilities.

There is a substantial decrease in funds allocated for out-of-territory travel for the Minister of Justice's office. This has dropped from \$15,838 in 1985-86 to \$10,000 in 1986-87. Money allocated for travel within the territory has increased from \$2,400 to \$2,500. There is a \$100.00 increase in communications.

There is \$25,000 allocated for the Minister of Community and Transportation Services and Education. There is an increase in funds allocated for out-of-territory travel to \$18,000. The money allocated for travel within the territory is increased from \$2,400 to \$2,500. There is also a \$100.00 increase in communication expenses, which is basically long distance telephone charges.

There is \$21,000 allocated for the Minister of Health and Human Resources. There is a decrease in funds allocated for out-of-territory travel. This has dropped from \$15,838, which was average for all Ministers before, to \$14,000 in 1986-87. There was the same increase for in territory travel from \$2,400 to \$2,500. There was also \$100.00 increase for communication expenses.

Previously, when the travel expenses were budgeted, there was an average amount given for each Minister. We discovered, in analyzing the figures, both for the previous government and for the first few months in office of this government, that the travel patterns were not all the same. Different Ministers with different

responsibilities had different travel.

We tried to give a more accurate reflection of what we expect of the different Ministers in travelling. Some Ministers, like the Minister of Tourism, travel more frequently, as well as the Government Leader in his various capacities. He might be expected to travel substantially to certain kinds of intergovernmental matters and conferences.

Other Ministers, such as the Minister of Justice, are expected to do a below average amount of travelling, as is the Minister of Health and Human Resources.

The \$501,000 in Cabinet support is to provide the Cabinet with the human resources necessary to fill the various responsibilities of the government executive. This activity consists of personnel costs exclusively. There have been a series of changes in the operation of the Cabinet office since April 1, 1985. The outcome is that Cabinet support is now estimated to cost significantly less than it did in the previous fiscal year.

The final \$32,000 is for Cabinet tours, and to provide for all costs associated with tours taken by Ministers and their support staff in the territory. The costs common in this activity include travel expenses, rental expenses, and advertising costs.

<sup>23</sup> There is no change in funds allocated to this activity from the previous budget.

**Mr. Lang:** I did not hear any sums for the Department of Renewable Resources. The total amount for that particular portfolio, in combination with Tourism, is \$24,000 for travel. Is that correct?

**Hon. Mr. Penikett:** The \$22,000 is for the Minister in his capacity as Minister of Tourism and Renewable Resources.

**Mr. Lang:** Since he has all that information at this fingertips, what is the total amount for travel for the Cabinet, and what is the total amount allocated for the support staff, i.e., whoever else is involved here and would be travelling on this particular budget?

**Hon. Mr. Penikett:** This was an arithmetical error. The number of Ministers, and I guess Ministerial Aides' travel is a total of \$74,000.

**Mr. Lang:** That does not really add up properly. If I recall, the figures that were put down here averaged \$20,000 per Member of the Cabinet.

Perhaps I could ask another question while they are checking their arithmetic. How much is for advertising? Exactly what advertising are we talking about in this line item?

**Hon. Mr. Penikett:** It is not a large amount of money, but sometimes, as the Member may know, there is newspaper penetration of some of the rural communities in terms of advertising public meetings. The Government Leader may be having a community meeting being chaired by the local MLA, the same as with the former Cabinet tours, and what has been done by the former government continues to be done with this government. Public Affairs may put together a simple announcement, which will be to a householder in the community, or perhaps put in mailboxes or handed out at the schools. It is simply a single sheet flyer announcing the meeting. That is the kind of advertising we are talking about.

**Mr. Lang:** I got the impression that there might be advertising for each Minister. Is it strictly for the Government Leader's office, basically, or does each Cabinet Minister allocate some advertising? That is the impression he gave me when he rattled off those figures.

**Hon. Mr. Penikett:** When we talk about communication charges, we are talking mainly about telephone for each Minister.

**Mr. Lang:** There is no advertising money available for each Minister out of this area, am I correct?

**Hon. Mr. Penikett:** The advertising I was talking about is in connection with Cabinet tours, and that is for all the Ministers together. It comes out of the \$176,000 Other. That is out of a total amount of \$32,000, which includes all costs associated with this activity, travel expenses and rental expenses.

**Mrs. Firth:** I just want to go back to the local hire policy. I have my reference now. It is in the 1986 Report of the Standing Committee on Public Accounts, at page 1:11, January 8, 1986. We were discussing northern preference with the Deputy Minister of

Government Services, and we started talking about what constituted a northern company. One of the Members also asked a question about whether that involved the hiring of Yukoners, and their staff.

We were told that the present policy was rather general, and that they did not think that was included. We asked when it was going to be reviewed. The Deputy Minister of Government Services said that the review was not necessarily going to be in the Department of Government Services, that it was going to be in the Executive Council Office. To confirm his comment, one of the Members said that the Executive Council Office is developing the policy regarding northern preference and asked whether it was for construction or purchasing and so on. The Deputy Minister replied that it was for everything but construction.

<sup>24</sup> We asked questions about local preference purchasing and he said that that may very well be in the development of the new policy. Is Executive Council Office developing some kind of local hire, local purchase and northern preference policy within the department?

**Hon. Mr. Penikett:** No. I believe the misunderstanding or confusion on the part of the Deputy Minister is derived from the fact that the first stage of the development or research work done on this policy was done by the person filling the Executive Assistant position for the Minister of Justice and a report was done for Cabinet. It was brought to Cabinet by the Minister of Justice or Government Services as a government-wide project. The work on continual development of the policy was two-tracked and referred to Government Services in terms of the contracting and Public Service Commission in terms of Government of Yukon hire. That is where the subsequent policy development went on. It did not involve the Executive Council Office at all.

**Mr. McLachlan:** The figures that were quoted for ministerial travel from \$50,000 from Minister one down: do I take it those travel figures were for both national and international travel? There is no breakdown?

**Hon. Mr. Penikett:** Yes, it involves travel to Carmacks, and involves travel to Tokyo.

**Mr. McLachlan:** So, when the Minister of Health and Human Resources travels to Nairobi, or when you go to Korea to get more zinc contracts, it is straight against this figure?

**Hon. Mr. Penikett:** When the Minister of Health and Human Resources went to Nairobi, she went as a guest of the federal government; that was not a charge against this government. When I went to Japan and Korea it was a charge against this vote. If, however, I were to go to Ottawa on an economic development matter, and I took the Deputy Minister of Economic Development with me, his travel would come out of the Department of Economic Development and mine would come from this item.

**Mr. McLachlan:** What I was getting at was that you did not go to Korea as a guest of Mr. Frame; that it was charged against us here in government.

**Hon. Mr. Penikett:** We paid our own freight.

**Mr. Lang:** I strongly recommend we do pay our own freight, per se. Does he have an idea of what the total cost of travel is?

**Hon. Mr. Penikett:** The total travel for Cabinet Ministers came to \$107,000 in this budget.

**Mr. Lang:** How do your projections for international travel look, primarily the Minister of Tourism and the Government Leader's Office?

**Hon. Mr. Penikett:** I have no firm plans for international travel, other than it is quite likely I will be involved in the Trade Mission — should that come together for this fall — to Japan. I can tell the Member also that the federal government has invited me to join a Mines Ministers delegation to a European country later this year, or at least I had an indication they are likely to do so.

<sup>25</sup> I believe the proposal, in that case, was for it to be a federal expenditure. In any case, that idea or plan may well have died the way of deficit cutting. Those are the only plans I have.

**Mrs. Firth:** Can the Government Leader tell us what the policy is regarding the travel for Ministerial Aides?

**Hon. Mr. Penikett:** I am not sure I understand what the Member's question is. What does she mean?

**Mrs. Firth:** Do the Ministers decide if the Ministerial Aides go with them on every trip? Is there a standing policy or rule that they

only go under certain conditions or expectations? What are the guidelines? What are the rules?

**Hon. Mr. Penikett:** I believe the rules, such as they are, are not government-wide yet. Based on my experience in ministerial travel, after a few months I did adopt certain guidelines, which I have for my departments that covers both my attendance at ministerial conferences and rules that are laid down for people who may substitute for me at ministerial conferences. I have reason to believe that my guidelines may have been informally adopted by other Ministers, but there is no Management Board decision or Cabinet decision that lays it down as a rule. Two things have changed: ministerial permission is now required to travel outside the territory, and Cabinet permission is required to travel outside the country.

**Mrs. Firth:** Is the Government Leader saying that he just leaves it up to each individual Minister to determine whether they need their ministerial aide with them or not?

**Hon. Mr. Penikett:** I hesitate to say. There is not a ministerial rule or a Management Board rule. Let me explain what my own rule is, and I think that may be generally followed by other Ministers.

For most conferences, or most meetings, it has been my experience, especially if it is a single purpose meeting, a meeting involving one ministry, one subject, one department, one project, I have need to travel with one person only, either an official or an aide. It may depend on the circumstances which is which. Some conferences are more important, such as Premiers' Conferences, First Ministers' Conferences. Recently I made a trip to Calgary where I was meeting both oil company executives and was involved in a Minister of Small Business and the Minister of Regional Economic Development Ministers' Conferences.

<sup>26</sup> I took both the Deputy Minister and one political aide. My rule is that where an official substitutes for me at a Ministerial Conference, such as when the House is sitting now and I cannot go, I may send someone else. That official will only go and speak and make a substantial policy statement if that policy statement has been previously approved by the government or by Cabinet. A written report is required from the official following their attendance at the conference, if they are substituting for a Minister, on what was said on our behalf and what was heard. The report will be written to me as a Minister.

A couple of the departments have now adopted a new form because Ministerial travel approval is required. The form requires the official to explain the proposed trip, what benefits the Yukon will get out of the trip and from the conference.

I do not want to be coy or sound unpleasant but it has been my experience that in some cases it is difficult to control the tendency to travel in this government. I remember one conference that was attended by the Member for Riverdale South where I had something like 17 or 18 requests from different people in different departments and different branches to attend the conference.

I finally had to put my foot down and say the total representation of this entire government would be three people, otherwise there would be hell to pay. In the end, Cabinet had to take a role in deciding who the three people were because there were so many requests to attend that event.

**Mrs. Firth:** Can the Government Leader tell me which Ministers follow his rules?

**Hon. Mr. Penikett:** Do you mean the rule about substituting for Ministers at conferences? I presented my guideline to Cabinet and a number of Ministers found it a good idea. They may be, in one form or another, generally following it.

<sup>27</sup> **Mr. Lang:** I want to say that I concur with the Minister and his observation. It should be the Minister or the Cabinet that makes decisions, as far as travel is concerned. I had my reservations about the previous policy, which, I understood, was that the Deputy Minister, in many cases, could approve the travel. I think the Government Leader has taken the right step in that direction. I know the problems one is confronted with as far as travel is concerned.

The amount that has been given so far, \$107,000, for travel for Cabinet and for aides, and then another \$32,000 that is given for the purposes of conducting Cabinet tours around the Yukon, for

advertising and the various costs associated with it. Where is the other \$37,000 going?

**Hon. Mr. Penikett:** The other \$37,000 is involved in entertainment and communications, which involves telephone, various kinds of hospitality entertainment that the government engages in from time to time, on behalf of the whole government. There would also be included in that amount some gifts we may give to royalty or other visitors, a lot of things like that.

**Mr. Lang:** He probably will not have it with him, but I am wondering what the breakdown of entertainment is in that \$37,000.

**Hon. Mr. Penikett:** I am not sure we can give that figure off the top of our heads. I will try to have it computed.

**Mr. Nordling:** The Government Leader mentioned that there was \$107,000 in total for travel. An average of approximately \$16,000 per Minister would be \$80,000. That leaves \$27,000 for support staff. In his comment, it sounded like the Ministers did not go anywhere alone, they took at least one support staff, or even two. How could the Cabinet's travel be \$80,000 and the support staff only \$27,000?

<sup>28</sup> **Hon. Mr. Penikett:** I am not sure that the Member's arithmetic is correct. In the ministerial amounts that we gave, the Executive Assistant to the Minister of Education for example, goes with the Minister and that is included in that ministerial amount.

**Mr. Nordling:** Then the \$27,000 is for the extra help that may go along?

**Hon. Mr. Penikett:** I think the confusion may be that when I was listing the Ministers I did not read out the amount allocated for the Government Leader and that is considerably above the average for most Ministers.

**Mr. Lang:** Perhaps he could read it out.

**Hon. Mr. Penikett:** I am not going to read the exact number out because I am not sure the arithmetic is correct in terms of the total, but I will doublecheck and give the Member an answer.

**Hon. Mr. Porter:** Due to the time, I move that you report progress on Bill No. 5.

*Motion agreed to*

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

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I call the House to order. May we have a report from the Chairman of Committee of the Whole?

**Mr. Webster:** The Committee of the Whole has considered Bill No. 30, *Interim Supply Appropriation Act, 1986-87 (No. 2)*, and directed me to report the same without amendment.

Further, the Committee has considered Bill No. 5, *Second Appropriation Act, 1986-87*, and directed me to report progress on same.

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

**Some Members:** Agreed.

**Speaker:** I declare the report 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:** The House now stands adjourned until 1:30 tomorrow.

*The House adjourned at 9:30 p.m.*

**The following Sessional Paper was tabled April 28, 1986:**

86-3-32

Report of the Chief Electoral Officer on Contributions to Candidates During a By-Election in Whitehorse Porter Creek West (Speaker - Johnston)

