Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell
DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

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GOVERNMENT PRIVATE MEMBERS

New Democratic Party

| Sam Johnston | Campbell |
| Norma Kassi  | Old Crow  |
| Art Webster  | Klondike  |

OPPOSITION MEMBERS

Progressive Conservative

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

Liberal

| Roger Coles | Liberal Leader Tatchun |
| James McLachlan | Faro             |

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Speaker: I will now call the House to order. At this time, we will proceed with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper. Introduction of Visitors?
Are there any Returns or Documents for Tabling?
Are there any Reports of Committees?
Are there any Petitions?

PETITIONS

Mrs. Firth: I have a Petition from the residents of Riverdale South who are strongly objecting to the proposed changes to 7 Bates Crescent and request that all involved examine the permitted use of it. This represents the signatures of all of the constituents within the immediate area, particularly those who are the parents of some 41 children between the ages of two and ten years old.

Speaker: Introduction of Bills.
Are there any Notices of Motion for Production of Papers?
Are there any Notices of Motion?
Are there any Statements by Ministers?
This then brings us to the Question Period. Are there any questions?

QUESTION PERIOD

Question re: Furniture, locally-made
Mr. Phelps: I have a question for the Minister of Government Services. It has to do with the purchase of executive furniture for the new Philipsen Building and for senior bureaucrats and Ministers in the government. We know now that the cost of the Yukon-made furniture is going to be almost 100 percent more than the top line of executive furniture that was offered to the government by a local business.

We also know that the materials for the locally-made furniture comes from outside of the Yukon. The furniture is simply executive furniture that was offered to the government by a local manufacturer.

Hon. Mr. Kimmerly: The Leader of the Official Opposition made two factual errors in his preamble speech. First, he stated that the furniture was for senior bureaucrats and Ministers. Of course, his political message is that he is trying to say that we are buying new furniture for Ministers. That is not the case.

Secondly, he said that the cost of the locally-manufactured furniture is 100 percent more. That is not the case. In light of those two factual errors, there really is not a question.

Mr. Phelps: Perhaps the Speaker could rule on that issue. Without asking him that, the cost of a set of top quality executive furniture known as Equis from one of the local retailers was $3,420. The cost from Treeline was $6,699. The low price is for top quality executive furniture. Given that all the materials are from outside of the Yukon, as we all know, why is the government insisting on paying such a premium for the locally-built furniture, almost 100 percent more?

Hon. Mr. Kimmerly: I met yesterday with, I believe it is, the manager of the company that submitted that proposal. I suppose it is a proposal. We discussed the particular concerns of that company. The proposal was disqualified administratively, not politically, on the basis of the specifications that were asked for.

Despite that, I have asked for further information about the details about exactly why that particular bid was disqualified. I will be in a position to know that, I expect, very shortly.

Mr. Phelps: The spreadsheet has been available for some time. I have had this in my possession for a number of weeks now, following the close of the tenders. They were not really tenders; they were something less than that — they were proposals. It was to my amazement that I learned that, as of yesterday, the Minister did not even know the quality of the furniture that the one supplier proposed.

Why had the Minister not looked into, and himself judged between these various pieces of furniture, given the huge price differential?

Hon. Mr. Kimmerly: That is a sensible question in principle, but not necessarily about the timing. Let me explain the procedure that I followed. I was perfectly aware, as are all Members, that this is a politically sensitive issue, because our policy of stimulating local manufacture is opposed by the Conservative Party who represent the existing business interests. I purposely refrained, as a politician, from making personal judgments on the quality and looking at the costing from a political perspective, until I received the information from the administrators in the department. Based on that information, we did make a political policy decision.

Looking at the quality is a good suggestion. I met with the manager of the company concerning that bid, and I have been supplied with the catalogue information and brochures. It is something to look into.

Question re: Willingdon Correctional Institute
Mr. Phelps: I, for one, am getting a little tired of the snotty, facetious comments about whether or not one question is valid or another question is valid in his opinion. If I want his editorial on the quality of questions, I will ask him for it.

The point is that the Minister came forward in the House, without any provoking from anyone, and made his decision, in writing, in a Ministerial Statement back on April 24 of this year. He met with the person who was going to supply the top-line executive furniture at a cost of almost half of what this government decided to go for. He met with that person yesterday. At that time, he had no idea of the relevant differential in quality of furniture tendered; no idea.

I am going to ask the Minister whether or not he will reconsider his decision, in light of that.

Hon. Mr. Kimmerly: In the speech from the Member opposite, he said I had no idea about certain things. That is blatantly false. In light of that, there is no question.

Mr. Phelps: Was the Minister aware of the relative quality of the furniture tendered, as shown on the spreadsheet, on April 24 of this year?

Hon. Mr. Kimmerly: I was aware of information from the department that that particular furniture did not meet the specifications that other furniture that was described in the proposal met. The furniture bid was disqualified, administratively, because it did not meet the necessary specifications.

Mr. Phelps: What were the specifications, aside from being locally manufactured, that this furniture did not meet? These people put forward these proposals, in spite of the fact that the government was not interested in getting a good bargain for the taxpayers of the Yukon.

Hon. Mr. Kimmerly: The government is very much interested in getting a good bargain. It is interesting that this particular bid, which we are speaking about, is not technically a bid, but is a proposal to supply furniture. If it could be accepted, it would be a substantial saving, in fact, over the purchasing pattern of the government over the last many years. The government is very interested in getting a bargain, if it is suitable.

I maintain the position, considering the quality of the locally-manufactured furniture and the impact on local employment and the local economy, that that is the wisest choice.

Question re: Willingdon Correctional Institute
Mr. Coles: A question for the Minister of Health and Human Resources: yesterday, I received a phone call from a freelance reporter who went to Willingdon and made an attempt to interview a Yukon young offender, at which time people from Willingdon phoned the Minister's department, and he was denied the interview.
Can the Minister advise the House whether or not that is true?

Hon. Mrs. Joe: I was not able to get that information. I will bring the information back to the House and report to all here. I am sorry that I just do not have it.

Mr. Coles: The reporter seemed to be under the impression that neither the young offender, his lawyer, or his parents were even approached concerning the matter. I wonder if the Minister could give me an undertaking to also check that?

Hon. Mrs. Joe: I will do that.

Mr. Coles: Could the Minister tell me today how many children we have in Willingdon?

Hon. Mrs. Joe: I do not have any up-to-date information. The last I heard, we had six. We may have some more since then. I will also bring that information back.

Question re: Furniture, locally-manufactured

Mr. Phelps: Again, I have a question for the Minister of Government Services. I would like to direct the attention of the House to an answer given by the Minister on March 26, to a question from the Member for Faro, on page 114. In answer to that question, hon. Mr. Kimmerly, "I thank the Member for the question because it gives me an opportunity to explain what has been a misconception in the media and, I believe, possibly by some local retailers of furniture. We have no policy of giving a preference to local manufacturers of furniture. That is, there will not be — or the government has no policy for 10 percent or a 20 percent increase in the purchase of a preference. In fact, we do not need to, because it is cost-effective already; however, there is no policy to establish a preference for a cost premium for locally manufactured furniture."

Given that the offer from the House of Furniture, for a total set of furniture is $3,420, and the one that the government is going for is $6,699, is the Minister prepared to stand up and tell the House that there is no preference for locally-manufactured furniture?

Hon. Mr. Kimmerly: The point is that the purchase of locally-manufactured furniture is cost-effective, when considering the specifications of the actual product, the quality of the product and the cost. Considering the impact on the local economy, it is a wiser decision to purchase locally-manufactured furniture.

I received an analysis of the information that was received after a public invitation. That is the information that I received back. It is cost-effective to purchase locally-made executive furniture but not for the administrative furniture, which is commonly used by secretaries, primarily.

On the basis of that recommendation, we made a decision to buy locally-manufactured executive furniture, but not the administrative furniture because it was not cost-effective. The particular bid that is spoken about here was from the House of Furniture. I was instructed that that particular bid did not meet the specifications of what the government required. I was subsequently told that it was in such a minor way that it did not matter. I will personally look into that. That is where the situation lies now.

Mr. Phelps: The Minister has made a decision to buy furniture put together here. All the materials come from outside. He is prepared to pay twice as much, almost 100 percent more for that furniture. Would the Minister table all the information that he has with regard to why this decision was cost-effective? Would he supply us with the author of that information and the date that he got it?

Hon. Mr. Kimmerly: I am not going to make a commitment on the floor of the House now. There is undoubtedly information in those bids and proposals of significant commercial value. It has never been the practice of governments anywhere to release all of that information.

It is absolutely clear though that the assessments of the specifications and the quality of the various furniture that was described was and will again be very closely scrutinized.

Mr. Phelps: Will the Minister table the analysis he received as to the cost effectiveness and great advantage of this furniture that is so expensive, the day he received it, and take out any information that may be of a private nature and of concern to the contractors? I feel that the people of the Yukon have a right to know whether anybody in their right mind would say that this is cost effective, and I think they have a right to know who would say such a silly thing.

Hon. Mr. Kimmerly: That is an idea or a proposal that I may be able to comply with, and I will see exactly what is appropriate to release and I will do that.

Question re: Furniture, locally-manufactured

Mr. Phillips: I have a question for the Minister regarding the furniture. He was asked in this House, in late March, what criteria was used in determining whether or not to purchase local furniture or to go to the local suppliers. The Minister replied, "The criteria involved two major principles, the first and most obvious is the price." Will the Minister stick to the major principles that he stated in this House and purchase the furniture based on the lowest price?

Hon. Mr. Kimmerly: It is not a simple procedure of finding absolutely the cheapest desk possible. The cheapest desk is probably from a second-hand store, probably in the neighbourhood of $30 or $40; that is the cheapest price. What we are looking for here is quality furniture, considering the use it will get as executive furniture, the number of years it can be expected to last, the value of it, and the price. We are interested, of course, as everybody would be, in getting the best deal possible for the taxpayers' money. That is not always the cheapest price, initially. In this case there were, I believe, three or four bids from local retailers. There were two or three very close to each other and one very substantially cheaper. I was told that the cheaper bid did not meet the specifications. I had no reason to disbelieve that or even to question it. It is very common to receive bids all in a cluster with one or two very high and very low. Now, on this very low bid, which is almost half of what the government has traditionally paid — it might even be less than half — I will investigate the quality, and I will do that personally.

Mr. Phillips: I think the Minister has the information respecting the quality of that furniture. I believe the Minister knows, as I know, that the quality of that furniture is first class and is in many government buildings throughout Canada, and is in many offices throughout Canada. I am wondering if the Minister will stick to his second principle, where he stated in Hansard, "The second is the quality of the goods. As all Members would speculate, it is possible to obtain furniture more cheaply if one sacrifices quality."

Once the Minister finds out that that furniture is of good quality, will he reverse his decision and award the contract to the good quality furniture that is 100 percent less costly to the taxpayers of the Yukon?

Hon. Mr. Kimmerly: The principles of the cost-effectiveness are absolutely clear. They are about cost and quality. We want to get the best value for our dollar and we will do that. The question was entirely hypothetical, and I will investigate the quality of this substantially cheaper furniture.

There is another question that should not be ignored. That is the impact on the local economy, the impact on jobs. It is my information that the manufacture of executive furniture locally is cost-effective. I do accept the criticism concerning local materials. The answer to that is that is the next step. In order to develop the capacity to use local materials, we need several things: an increased sawmilling capacity, a kiln to dry the wood properly. We have beautiful woods here, and we can be utilizing them, and eventually, if ...

Speaker: Order, please. Will the Minister please conclude his answer.

Hon. Mr. Kimmerly: Yes, Mr. Speaker. Eventually, we will be able to use local materials, as well.

Mr. Phillips: Since the Minister of Government Services has laid out, very clearly, two major principles, and these two major principles have obviously been violated, will the Government Leader, who, I believe is a man of strong principles — or should I say in this case, a man of major principles — reverse the decision, or step in and look again at the decision made by his government Minister?

Hon. Mr. Penikett: I respect the fact that the Member opposite has been a Member of the Conservative Party for a long time. The kind of dictatorial principles espoused by leaders of that party are
not followed by this one. We have Cabinet solidarity and ministerial accountability here.

On the principles in which we went into this tender, our bottom line is to create jobs. Our bottom line is to create jobs, not in Quebec or Korea, but to create jobs here in the Yukon Territory. The kind of project we did last fall demonstrated that quality furniture could be built right here in the territory, cost competitive, and we could create some jobs here.

What is interesting is, even the commercial stuff that is imported from outside, for which local retailers just process orders, that stuff came in at lower bids this year. It just shows what happens when you get a little local competition, when you try to stimulate the economy, when you try and diversify the economy, when you broaden the base of the economy, and you try and keep dollars circulating in the economy, which certain people in the Conservative Party, who are interested in keeping the economy here weak, are opposed to it. It just shows where they are. It shows you where they are when it comes to developing the economy, and explains why they did nothing about creating jobs for the last three years.

Question re: Furniture, locally-manufactured

Mr. Breust: I hope that I can get answers instead of speeches. I have been involved in small business for many years. The average small businessman cannot afford furniture over $3,000, let alone $6,000 and over. Can the Minister of Government Services why the government needs this expensive furniture?

Hon. Mr. Kimmerly: I have answered that, and it will be answered again in the motion that is on the Order Paper for tomorrow. That particular Member spoke about the carving of a raven at Expo. He wanted it done here. He cannot have it both ways. What we are doing is building here, doing our best to create the jobs here. That is what we are doing, and what we will continue to do.

Mr. Breust: I might point out that the government did not even try to get a Yukon carver for the raven so they do not know whether or not it was cost effective. Would the Minister consider changing the policy and come up with something more reasonable since the present luxury furniture cannot be afforded?

Hon. Mr. Kimmerly: The furniture can be afforded. We are learning very interesting things from this experiment. It is interesting that in the final analysis, the expenditure for furniture will be going down. The conservative retailers who are putting the Conservative Party up to this phony attack have recognized that the cozy situation that existed for years has now been broken.

They have lowered their prices that they could have had years ago. We are finding two things. One, there is a viable small furniture industry here, and two, we could have been buying furniture substantially more cheaply for many years. What we do buy will be a substantially better bargain than occurred in past years.

Mr. Breust: Since I do not seem to get anything but lectures from the Minister, so I will try the Government Leader this time. In view of the Government Leader’s comments on the debate on the elimination of poverty last week, how does he justify the use of this luxury furniture?

Hon. Mr. Kimmerly: I have just reminded the Member opposite that the standards for furniture acquisition here were not established by this government. They were established by the former government.

Some Members: (Inaudible)

Speaker: Let the Member speak.

Hon. Mr. Penikett: The Members on this do not have any more comfortable pews than the Members Opposite. If it is the view of the Members opposite that the accommodation of Members here, including the accommodation of the Members Opposite, is too luxurious, too fine and too substantial, I am prepared to have a look at it. It will not give me any problem to sit on a less comfortable chair or to work on a smaller desk. The work will still get done.

What a phony issue. If it was so much of a concern to the Members opposite, why did they not, in their dozens of years of government, do anything about it?

This comes from the leader of a party who, without any proper authorization, ordered $900 worth of blinds to prevent the sun coming into his office. Nine hundred dollars worth.

But this is a hypocritical attack against providing basic furniture for the executives, for the managers, for the clerks, and for the secretaries in this office, and having the wisdom to try to have it made locally, and develop the capacity to have it done with local materials so we can better strengthen our economy. We can see where the protected, privileged and established interests object to that. They do not care about excessive luxury of the public service here. If they did they would have done something about it when they were in government.

Question re: Children, behavioral problems

Mr. Coles: I have a question about unfortunate children, rather than expensive furniture, for the Minister of Health and Human Resources. What is the government’s position with regard to the concept of having a local resource to assist children with emotional and behavioral problems?

Hon. Mrs. Joe: We have a number of children right now with emotional problems, who are being treated in facilities outside. We had intended to try to take advantage of existing services in the Yukon, and we are spending a lot of money. I think we have eight children outside now in facilities. We had put out a qualification tender to find out if any of these resources could be made available here in the Yukon and we are looking toward keeping these young kids at home and trying to make sure we had the treatment centres available to them.

Mr. Coles: There seem to be people who believe these children should be banished from the eyes of the public, along with young offenders, and I wonder what the Minister’s feelings are on a location of this facility and if she has any problem with it being in a residential area.

Hon. Mrs. Joe: There are proven cases right across the country where these kind of facilities have existed in some prominent sections of residential areas. I think that as a result of the lobbying that went on by the Member for Riverdale North with regard to 501 Taylor Street, these fears have been exaggerated and they will probably affect every single residential area in the Yukon. Unfortunately, we still have all these children in the Yukon who are being affected by it. I feel sorry for these children. We need something for them but I do not know what is going to happen because we have a residential area.

Mr. Coles: I sympathize with the Minister and what she is saying. I, too, feel sorry for these children, whether they have emotional problems, behavioral problems, whether they are young offenders or welfare cases who have been taken from homes, and I do not believe that taking these children and banishing them to the boondocks or to the bush or hinterland is going to be any help to them at all. What is the Minister’s position on the recent conflict at 7 Bates Crescent?

Hon. Mrs. Joe: I only know what I read in the paper and I know there are certain facilities in other parts of Canada that have been very successful in residential areas. I think that the residents in the area probably have some fears that have been developed by some past circumstances, but I would surely believe that any kind of facility that we could have for those young people would be successful and we would not have as many problems as are anticipated by people in the area. I think those people who signed the petition are probably well-meaning people, but I think their fears are over exaggerated.

Question re: Tendering policy

Mrs. Firth: We established that, in March, the Minister of Government Services said that there was no policy to establish a preference when it came to awarding contracts. Last week, when I asked the Government Leader regarding the development of a northern preference local-hire, local-purchase policy, we were told that it was being developed in the Government Services department.

When the contract for the furniture was awarded, did the Minister follow the new policy guidelines?

Hon. Mr. Kimmerly: We followed the tendering guidelines, but there is no preference policy. What I had stated earlier is
exactly what I am stating today. We know of a northern preference policy of 10 percent, up to a certain amount, for northern resident businesses. There is no such policy for furniture. What we are looking at is the cost effectiveness of the furniture buy, and we are looking at the creation of local employment, which was not done by the previous government.

Mrs. Firth: I have quite a lengthy supplementary, but I would plead with the Speaker to hear my case so I can present it.

I want to illustrate two examples where this government has tendered contracts. The first one is the Tatchun-Frenchman, where the low bidder was bypassed and it went to the local contractor. At that time, there was no percentage preference.

The second contract that was awarded was regarding the Annual Report. At that time, the low bidder was bypassed. The local bidder was less than 10 percent of the next bid, which was an outside agency, yet the outside agency was accepted, not the local bidder.

Is it not true that the Minister really has no policy when it comes to tendering, and that he is making contradictory decisions that are clearly leading to uncertainty within the Yukon business community?

Hon. Mr. Kimmerly: I listened with some interest to the speech by the Member opposite on her supplementary, which was not a supplementary at all.

Considering just the facts about the Annual Report that was mentioned, technically speaking, the low bidder was not bypassed. Bids were accepted in the range of $16,000 to $18,000. One bid of $9,000 was submitted, but it did not meet the specifications tendered by the department; therefore, it was not accepted. The contract went to the lowest of the acceptable bids.

In view of the long speech, I could give a long speech in reply, but I will not do that. The policy about bids is that where we have an acceptable tender, we accept the low bidder, with the sole exception of the northern preference established by the previous government.

Mrs. Firth: In order that we not get a long answer to this next question, I will be very brief. Will the Minister please table, for the Members what those answers are. Some of them are Capital answers, not O&M, but perhaps Mr. Chairman will give me the honour to comment.

Yesterday, I gave indication that I thought, with respect to recoverable trips, that there would be two areas where the trips would be 100 percent recoverable. That included the area of training for MOT observer people and the EMO Conference.

Technically, the manager of airports has some of his operational trips paid for by the federal government because of the administration fee charged to the sort of work that he does for this government in the effort to operate airports. Perhaps technically I was a little off-base.

One Member asked a question with respect to capital construction on the North Canol Road. The government, here, is led to believe that no capital construction on that road is projected by the federal government in 1986-87.

There was a question with respect to legal axle loadings on the Alaska Highway in British Columbia, and whether or not anybody had been given notice of DPW's intentions. It is our information that DPW had given notice that, should conditions warrant, they would be prepared to institute a legal axle loading limit of 75 percent. Their procedure, I understand, is the same as ours for testing, or perhaps it is a little better defined.

For the Members' information, the roadbeds that we have are 100 percent legal axle loading.

There was a question with respect to the number of capital PYs in the department. The number totals 30, exclusively in Highways and Municipal Engineering: 6 in Municipal Engineering and the balance in Highway Engineering.

There was some discussion yesterday on the use of government equipment and the projected use of equipment such as motor graders in the future. It appears that seven motor graders were surplus last year and we are replacing five, for a reduction of two.

A Member asked a question about maintenance between the Donjek River to Beaver Creek. With respect to maintenance that would be undertaken under the O&M Budget for frost heaves and rolling that has occurred there, the department will be repairing the worst sections, at least, in the spring and early summer.

There was a question with respect to BST applications for 1986-87. It appears that on Yukon highways, all of the BST programs on the Klondike Highway, Kilometre 360 and 370 — the spot between Five Finger Rapids and where the chipseal starts just after the cut-off to Frenchman Tatchun Lake — is scheduled to be chipsealed, as will Kilometre 474 to 510, between Pelly and Stewart Crossing, and Kilometre 620 to 666, the stretch between Gravel Lake and Flat Creek Hill.

Mr. Kimmerly: That is essentially the same question as was asked earlier in Question Period by the Leader of the Official Opposition. In order to be brief, I give the same answer.

Speaker: The time for Question Period has now elapsed.

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

Motion agreed to

COMMITTEE OF THE WHOLE

Chairman: I will now call Committee of the Whole to order. We will recess for 15 minutes.

Recess

Chairman: The Committee of the Whole will now come to order. We will continue with general debate on Highways and Transportation on page 44.

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

Hon. Mr. McDonald: I have some answers to some questions that were placed yesterday, and I will just give indications to the Members what those answers are. Some of them are Capital answers, not O&M, but perhaps Mr. Chairman will give me the honour to comment.

Yesterday, I gave indication that I thought, with respect to
he did not define them, operators jacked up prices after they had
given recognition that the gas should be purchased from that
particular outlet. The policy, at least, is that when prices are raised
after the decision has been made to purchase from a particular
station a review of those prices is immediately done to determine,
once again, the lowest price.

A Member asked a question about the cost of an asphalt plant.
Preliminary indications are that the Member for Porter Creek East
was asked about right when he thought the asphalt plant would be in
the neighbourhood of $250,000. Our information is that it would be in
the neighbourhood of approximately $200,000, which is not far off.

That is the remainder of the information that I have to date on the
questions that were asked yesterday.

Mr. Lang: I appreciate the alacrity with which the Minister has
returned with some of the answers. I know it takes a little bit of
time. I want to assure the Minister that I will pass that information
about the gas prices on to my colleague if he is available at any
given time.

In view of the numbers of kilometres that are being reconstructed,
in one manner or another, on the Dempster Highway, could the
Minister give us an indication of how much money is involved? Are
we talking about $1 million or $2 million? Is it true that we are
doing the work on their behalf?

Hon. Mr. McDonald: I asked that very question myself. It was
not possible to draw the information out, but I will try to have it for
tomorrow.

Mr. Lang: I asked a question about whether or not the federal
government public works was cutting back on dollars that were
planned for this area for this coming year with the budgetary cuts of
the federal government. Did the Minister get any information in that
respect?

Hon. Mr. McDonald: I have heard no further clarification on
the information I gave the Member yesterday. We have heard
rumors that there could be funding cutbacks but we have no more
information that could shed light on the situation.

Mr. Lang: About the leader of this new policy unit that the
Minister is putting in place, could he confirm for the record that at
one stage during debate he said he hoped the federal government
would be paying for the secondment and later on he said that the
federal government was paying for the secondment. Could he
clarify, for the record, if it is true that the federal government will
pay for the $60,000 whiz kid?

Hon. Mr. McDonald: I believe there may be a misunderstanding
with respect to what I said. I do not believe I said the leader of
the unit would be paid for by the federal government. I believe I
suggested the director of the communications policy will have
salary dollars paid for by the federal government. That is our
understanding.

Mrs. Firth: I want to follow up on the announcement the
Minister made on the $4.5 million that the Treasury Board had
approved for capital works on the Carcross-Skagway Road. That is
for this year, the Minister said, and they had approved in principle
the subsequent years. How does that fit in with the Minister’s plans
regarding the numbers of pull-outs that have to be constructed and
so on? Is there an understanding of what is that money going to be
spent on?

Hon. Mr. McDonald: I do not have all the capital information
because I had assumed we were dealing primarily with O&M
funding.

Mrs. Firth: I do not want absolute details. I would like some
idea in general terms about how much money they had intended to
spend and if the tenders are going to go out soon. Is this less than
they expected or more, and what approximately they are going to
be able to do and is it in line with what their plans were. I do not want
specific details on numbers of pull-outs, just some general
comments.

Hon. Mr. McDonald: The information we received is that it is
generally in line with funding that we had anticipated. There is a
program that includes many of the items the Member referred to,
including highway pull-outs, et cetera. There may be more added in
the future, but at least the Treasury Board Minute does indicate that
the $20 million plan we had established will receive its first year of
actual construction funds to support the plan.

With respect to tendering, we would hope that the documents
could be ready and construction could start as soon as possible. My
understanding that once everything is done, advertisements are
made, tenders evaluated, et cetera; the end of June at the very latest
the first day of July would be reasonable to assume the start of
construction.

Mr. Lang: I wanted to move on to the 30 person-years that we
have for Capital projects. Is that over and above the 327
person-years that have been identified in the budget?

Hon. Mr. McDonald: These are the capital person-years that have
traditionally been associated with the Capital plan. There is no
great change here. I will talk about a couple of minor changes.

The department at one time had 20 positions charged to Capital
projects: 15 for highway engineering and 5 for municipal engineer­ing.
In addition, approvals have been granted for the following positions.
There are six engineering staff who had been term contracts initially, but who now have been given approval for permanent capital person-years. These will be charged to the
Capital plan. That brings us up to 26.

There is also 1 Engineering Technician for Municipal Engineer­ing.
That gives a total of 27. There are three persons charged to the
Roads Resources Program, 2 Project Inspectors and one Program
Engineer.

Mr. Lang: If these are permanent complement, how come they
are not identified in the Budget? Is it one thing to be a contract
person here, but why are they not identified in the Budget if they
meet all the requirements of the Public Service Commission and
have permanent status?

Hon. Mr. McDonald: Traditionally, it has been a habit to
charge certain person-years who work exclusively on capital
projects to the Capital Budget. There has been no change in
principle from previous years. These people have been there all
along.

Mr. Lang: But there has been a change. The Minister said that
they have been made permanent public servants. I do not disagree
with that move. Why is it not identified in the budget if these are
permanent person-years according to the public service? It is one
thing to charge them against the capital, but is the reason for doing
this so that it does not reflect in the O&M Mains and can be
charged against the Capital for salary dollars? I do not understand.

Hon. Mr. McDonald: I do not understand the line of question­ing.
The Member presumably knew what was happening in this
department before I came along. I am talking about permanent
capital person-years.

I presume that when the Member was Minister for Community
and Transportation Services there were 15 permanent capital
person-years charged to Highway Engineering alone, and there
were five permanent capital person-years charged to Municipal
Engineering. These people are charged to capital projects that are
anticipated.

There is a certain amount of capital funding that is expected to go
ahead from one year to the next. Even though they are charged to
individual capital projects, they are still considered capital person­years to the Public Service Commission.

I would recommend that if the Member now wants to see that
procedure changed, he take it up with the Minister responsible for
the Public Service Commission. There is no change in policy. There
is no change in status in terms of charging capital person-years to
the Capital Budget.

Mr. Lang: There have been changes. First of all, I would
submit to the Minister that it is his responsibility to take up with the
Minister of the Public Service. He is a lot closer to him than I am,
that is for sure. In fact, closer than I will ever be, God help me.

Things have changed. There was a reason, at one time, to charge
it against the capital program, as far as the federal funding of the
Government of the Yukon Territory and the transfer of payments is
concerned. At one time, we had very minimal flexibility to transfer
dollars between capital and O&M. There was approximately a five
percent — I am going on memory — differential that could be
transferred; that was the latitude. Since last May, there has been a
significant change. If you do not understand the financial formula, you should sit down and take the time. What it does is allow you to move your capital and O&M back and forth. In fact, the way the Government Leader has said it, he is using all his surplus money to pay for all the plans that you are going to put into effect.

That flexibility is there with that financial formula. My point is that if they are public servants, and in view of the financial formula that is in effect and is not going to change dramatically in principles — maybe the quantum and dollars we are negotiating will change — then I submit to the Minister, for him to take under advisement, that maybe it is time that that collective agreement and the JES? It sounds hard to believe.

Branch Administration

Hon. Mr. McDonald: That $4,000 then brings the $1,132,000 up to $1,172,000 and the impact of the JES and other salary increases, I believe a three percent salary increase, is reflected in the difference in that amount, that is $13,000. It seems like a shortfall.

Hon. Mr. McDonald: The $1,132,000 contains in it an item, NEFP, the Tote-Trail Program, for $100,000. In the same line item for branch administration, $1,183,000, there is the same subject of NEFP, but it does not contain $100,000 in there anymore, it contains $40,000, so there is a $60,000 shortfall that would have been in there, had we maintained it at the previous year's level. That shortfall is obviously put towards the salary adjustments, et cetera.

Mrs. Firth: That $40,000 was used in the administration of the NEFP. The $1,185,000 effectively is only a $15,000 change. With the line item for an observer, who did not follow this debate, he has effectively been sold a false bill of good. You reflect here 327.3 man-years; we previously $56,000 in 1984-85. The government, in supplementarity, that the Northern Exploration Facilities Program, NEFP, is significant here.

Chairman: Thank you. The Member has made that representation. We will now continue with general debate on Highways and Transportation.

Mr. Lang: I would just like to hear a yes or a no as to whether the representations have been taken seriously, or am I, once again, talking to the wind?

Hon. Mr. McDonald: Yes, I will listen to the representation.

Mr. Lang: For a point, so that the Minister is fully aware, I will remember this conversation and will raise it in 1987-88.

Chairman: Any further general debate on Highways and Transportation?

Mrs. Firth: Can the Minister just give us the significance of the change please?

Hon. Mr. McDonald: The change is just about exclusively salaries, benefits, JES, et cetera. There is nothing else of significance here.

Mrs. Firth: Does the Minister have the JES allotment, the amount?

Hon. Mr. McDonald: No.

I should draw the Member's attention, to be perfectly open and candid, that the Northern Exploration Facilities Program, NEFP, is contained in this line item. The NEFP, as Members will note, was previously $56,000 in 1984-85. The government, in supplementaries last year, raised it to $100,000. This year it has been changed to $40,000? That would give the government a $60,000 surplus. Why not identify only $40,000 for that line when the Budget was made up?

Hon. Mr. McDonald: We did identify only $40,000 in that administrational view. There was $100,000 last year, and we reduced it to $40,000. We raised it in the supplementaries last year. Previously it had been budgeted at $40,000 and it would fluctuate $15,000 or $20,000 in a given year.

We raised it to $100,000 because there was no major road program to withstand the demand. Subsequently, under the Capital program, we developed a Resource Roads Program for $2.5 million to take up the slack. We then felt we could go back to the historic levels for the NEFP of $40,000 for the small tote trails to maintain the activity. We did not need to budget the $100,000 any longer. Instead, we could budget $40,000 and meet demand easily enough.

Mrs. Firth: I am trying to identify the amount of money that is in this budget for salaries and JES. Is it $60,000?

Hon. Mr. McDonald: I see what the Member wants, and I will get her a detailed breakdown. There are little fluctuations here and there, but I will try and identify the major changes. In permanent salaries, the forecast for 1985-86 went from $673,000 to $740,000. Bonuses and allowances went from $16,000 to $23,000. Fringes went from $81,000 to $89,000. The total personnel went from $770,000 to $852,000, a difference of $82,000.

Travel within the territory is projected to be $22,800, down from $29,000. Travel outside the territory has increased from $32,000 to $31,000. Contract services are expected to go from $12,000 to $22,000. Repairs and Maintenance are expected to drop from $62,000 to $56,000. Rental Expenses are expected to go from $29,000 to $31,000. Supplies are expected to go from $107,000 to $117,900.

There are new line items for Freight and Advertising for $3,000 and $4,000, respectively. Utilities are expected to go from $5,000 to $6,000. Communication are expected to go from $189,000 to $186,600. Other goes from $3,000 to $8,000. The transfer payments in the NEFP are expected to go from $100,000 to $40,000.

There is one other item that I can identify here. Highway maintenance staff filling in on administration duties is expected to
go from $26,000 to $25,000, so the total Other is expected to drop from $363,000 to $333,000. The total forecast for 1985-86 is expected to be $1,135,000. The Main Estimates for that same period are expected to be $1,185,000, so there is a measure of netting out there.

Mrs. Firth: I just want to thank the Minister for the breakdown. Why the amount of $31,000 for outside travel? Is that separate from the $60,000 that has been identified for outside travel on page 42?

Hon. Mr. McDonald: Yes, it is.

Mr. Lang: Just for information for the House, is there money in the other line items, Highway Maintenance, Airport Administration, Airport Operation for outside travel?

Hon. Mr. McDonald: Yes, there is travel. It is broken down by branch; it has historically been broken down by branch.

Mr. Lang: Just out of curiosity, how much is allotted for the total department for outside travel? By the look of it, we might as well buy our own jet.

Hon. Mr. McDonald: I will have to go through all the branches in Highways, Housing Corporation, Lands, Community Services, Municipal Engineering. I will have to check on that.

Mr. Lang: I would like a figure.

Branch Administration in the amount of $1,185,000 agreed to on Highway Maintenance

Mrs. Firth: Could the Minister tell us if there is any money in this $25,000,000 for maintenance of the Pelly Farm Road and snow removal?

Hon. Mr. McDonald: When we make a decision whether or not to go ahead, there will either have to be room made for maintenance of the Pelly Farm Road or not, depending on the decision. This is a projected amount. If we make a decision to go ahead with year round maintenance once we have considered all the various cost factors and established some figure for what it could be, we would be in a better position to determine the advisability of proceeding.

Mr. Coles: Does the Minister have any idea of when that decision may be made?

Hon. Mr. McDonald: There will be political component to that decision. I find myself absolutely booked up in trying to prepare for session and bring answers forward for Members in the House. I find it very hard to get other work done. Certainly, if a decision is waiting for me to make, it will be in a stack of stuff I have in front of me that needs doing, thanks to the life of this session.

The work will be determined by Highways personnel, and in a month or so, we will have some sense of how much the cost will be.

» Probably I will still be here answering questions on highway maintenance and decisions at the political level will be delayed.

Mr. Lang: As far as the length of session is concerned, one of the reasons the hours are struck the way they are is to allow the front bench to get its work done in the morning so that they can sit through those changes? Drury Creek there is some change. In Mayo, the change of an addition of $10,300 for the addition of calcium chloride to Keno community roads and the Mayo industrial subdivision. In Stewart Crossing, there was an elimination of 46 kilometres worth of calcium chloride put on gravel resulting from BST application on the Klondike Highway. That is a reduction of $225,800.

Calcium chloride is added to Pelly Crossing community roads, so that is an addition of $4,800. In Dawson, Top of the World Highway changed from category four maintenance to category three maintenance with the addition of calcium chloride for 50 kilometres; an addition of $172,000. That was mentioned in my opening speech, I think. On Top of the World Highway, there was a request by customs to delay road closure, so additional snow removal funds were required for $20,000.

» There is additional work on the Hunker-Granville Loop Road for $5,000; an increase in opening funds on the Hunker-Granville Loop, $22,000. Calcium chloride was added to the Callison Sub-division for $5,000. In Klondike Camp there was an addition of calcium chloride to five kilometres of road for $14,500. In Ogilvie Camp there was an addition of calcium chloride to ten kilometres of road for $28,000. At Ogilvie Camp there was also an increase in field supervision to reflect the extent of the work day at $28,000. At Eagle Camp there was the addition of calcium chloride to five kilometres of road for $14,500.

There is an increase in the brushing program for this year only for $10,000. There is an increase in field supervision to reflect the six-day work week for $28,000. There are no significant changes in Carmacks or Fraser, apart from what we now know will be the case as a result of the opening of the Skagway Road.

At Carcross, the Klondike Highway, there was a decrease in summer maintenance resulting from BST application to 25
kilometres, for $105,000.

The sign and post maintenance activity returned to standard following completion of the construction project. That is the addition of $20,000.

On the Atlin Road calcium chloride will be applied to 20 kilometres at a cost of $55,000.

On the Tagish Road calcium chloride will be applied to 20 kilometres at a cost of $55,000.

Other roads in the area, addition of calcium chloride, dust control on Carcross community roads, for $5,000.

For the Tagish River, Tagish Lake and Taku sub-divisions there is an increase from maintenance category five to maintenance category four to reflect additional traffic flows and maintenance requirements, for an additional $30,000. Introduction of calcium chloride to the Tagish Lake sub-division for $12,100. Residential roads, the addition of five-mile road, three kilometres, to highway maintenance inventory is $900.

The Whitehorse Camp increased standing requirements for the Two-Mile Hill and South Access Road in the amount of $14,000. For Sub-divisions there is an increase from maintenance category five to maintenance category four reflecting additional traffic flows and maintenance categories for a $12,000 increase.

Introduction of calcium chloride to Pilot Mountain, Judas Creek and Golden Horn sub-divisions is $40,000.

In residential roads, the introduction of calcium chloride to the old Alaska Highway is $28,000, and introduction of calcium chloride to the Grey Mountain Road for $18,000.

There were some additions to the road inventory: Five-mile Road, Ten-Mile Road, Shallow Bay Road and Burma Road for $1,000, $1,200, $1,000 and $800 respectively.

Haines Junction has no significant changes.

At Destruction Bay and Burwash Landing community roads, there is an introduction of calcium chloride for the amount of $8,000.

In Beaver Creek the introduction of calcium chloride to community roads for $5,300.

In Ross River, there was a decrease in capital overhead expenses of $40,000.

In Tutchina there was no significant change.

Watson Lake will have increased grader work on the Campbell Highway for $15,000. There was the illumination of the ski hill road in Watson Lake Cottage sub-division from the highway maintenance inventory of a $2,000 decrease.

Swift River had no significant change, and there was no significant change at Quiet Lake or Twin Creeks.

Teslin had the introduction of calcium chloride to community roads for $8,000.

Drury Creek had the addition of Little Salmon sub-division to the highway maintenance inventory for $11,500.

There was a reduction of $22,000 due to improvements to drainage in 1985. This reduced the requirement for glacier control.

There were some other YTG projects.

Gravel resurfacing: there was reduced resurfacing necessary due to BST application for a reduction of $80,600. There was a 10 percent reduction on Klondike and Campbell Highways for $97,900. There was an increase for surfacing on specific industrial roads, subdivisions and residential roads resulting in changes in maintenance categories, which I mentioned, for $1,200.

Gravel crushing: there was a reduction of 34,000 cubic metres due to reconstruction projects on the Tagish and Atlin Roads. There was BST applications on the Klondike Highway for a reduction of $383,700.

There were BST surface repairs. It is a new activity on YTG roads. As we put down BST, we will be expected to repair breakups where they occur. That is an increase of $170,900. There are a variety of small items. Does the Member want it highway-by-highway?

Mrs. Firth: I do not; but I did want to find out the Minister's plans, in a general context, and he has done that by going through his lengthy list.

I believe the Minister said that the costs for the Skagway Road, because they were not identified in here, were going to be picked up by the department. Is that correct?

Hon. Mr. McDonald: The costs associated with the opening of the Skagway Road will wait til period nine. Any costs that cannot be borne by the Highways Department will be added to the department's base.

Mrs. Firth: I was sure the Minister had said that although the costs were not included in the budget on the Klondike Highway, the department had intentions of picking up those costs within the department. Where do they intend to pick up that six or seven hundred thousand dollars?

Hon. Mr. McDonald: It is impossible to say. Efforts will be made, but where efforts cannot be made, there will have to be increase of the base. That is all I can say.

Mr. Lang: In the other roads, I note that the Minister enumerated what he saw as increases, but it is very difficult to follow the changeover, taking money from dust control to use on chipseal, or some place else. We have substantial increases here. I think my figures are correct. For other roads, there is about $300,000, on page 50, which is related to page 44. I would like to know what that $300,000 is. It is not reflected at a three percent increase, or anything like that. We are dealing with an increase that is pretty substantial. It is probably 20 percent increase. Why are we going, in 1985-86, from $1.4 million on the bottom of that enumerated list, to $1.7 million?

Hon. Mr. McDonald: We have brought up a number of examples of what can happen every year. I just went through some additions to road maintenance inventory. There have been requests for maintenance to various roads in Hootalinqua. There has been a new request for the Pelly Farm Road. There was a suggestion that Clear Creek Road should be maintained.

Generally speaking, there has been a movement over time to add roads here and there around the territory. We are trying to perform only that work that has been approved by Management Board, and only that work for ongoing maintenance activity on the road schedule. I mentioned some roads almost exclusively in Hootalinqua that have been added to that inventory in the last six or eight months.

The other roads include the increased maintenance that we are doing in the subdivisions as they come forward. We are including community roads, industrial and commercial roads, et cetera. There has been an increase of 8.6 kilometres of community roads to the inventory.

We have increased dust control measures in the unorganized communities, except for Elsa. That is the direction in which we are going.

Mr. Lang: I want to assure the Minister that I am not trying to be difficult. In looking at page 49, I add 50.3 kilometres. That is talking basically about the ability to grade a subdivision about three times a year. The Minister provided me with the $300,000 increase. For example, I am assuming that the Atlin Road or the Dempster Highway are covered under the line items on page 50.

In 1985-86 we had quite a substantial increase. There were additions to the inventory on page 47 of the O&M Mains so it was within that $1.4 million. Is there any other area on which that $300,000 is being spent other than what is enumerated in the Budget? Are there any other reasons for that significant increase? It is over $6,000 a kilometre, which is not for daily maintenance.

Hon. Mr. McDonald: I went through the list of items. In the Carcross areas, there are other roads and subdivisions mentioned. I talked about the roads that were added to the road maintenance inventory. I do not know what more I can add.

There has been no change on policy with respect to road maintenance other than we want to maintain only those roads on the road maintenance inventory. We added a string of roads that were requested, primarily in the Hootalinqua area.

I do not know what more I can say.

Mr. Lang: Can I safely say that we have over-budgetted in this area, and is the Minister going to get some of his money for the Skagway-Carcross Road maintenance for next winter out of this area?

I am trying to look at these dollars in a realistic figure, assuming that the Minister and his officials are presenting us with as close an estimate as can be judged, in view of what we are doing. I am
pointing out to the Minister that I see the increase that we have, and some quick mathematics, $6,000 a kilometre being charged to other roads for the increase of 50.3, yet knowing that some of these roads, for the most part, will only be graded three times a year.

I appreciate that they have been added to the list. I do not argue that. In the list that I see added I see a cost of roughly $30,000. When you take a look on page 49 and see Callison Subdivision, Chadburn Lake Road, Golden Horn Subdivision, Grey Mountain, let us even say $50,000. Where is the other $250,000 going? On other roads? There was not any money budgeted in this particular budget for Clear Creek, because it was just raised in this session. When you take a look on page 49 and see Callison Subdivision, roads, for the most part, will only be graded three times a year. roads, for the increase of 50.3, yet knowing that some of these pointing out to the Minister that I see the increase that we have, and presumably there will be no added cost. If they require further work a few thousand dollars more, or whatever?

Hon. Mr. McDonald: What I am going to have to do is go through the items, once again, and add them up. They do add up. We will add that all together, okay?

Mr. Lang: Let us leave it this way. I do not want to put the Minister through an agonizing half hour of turning into the mathematical wizard that I know he is.

I am making representation here and trying to expedite this, which I am sure the Chairman will be happy to hear. Could the Minister go back and find out, with the $300,000, just exactly how much is going to be going for the additional increase of these various subdivisions, add those up in total — on page 49 on the bottom, number 3, which is in addition and I understand that — and then just give us a rough outline where that excess $250,000 is going to go. If we do not get it by this session, if he could just send all Members a copy when he gets a chance to look at it. Would that be fair? Would the Minister take that as representation in the context of trying to expedite the business?

Hon. Mr. McDonald: In the interests of acceding to all the frustrated Members here, who do not want me to go through this information, item by item — because I do have the information right here in front of me, and I am staring at it right now, even if it is not broken out in a way that is as easy a manner as the Member may want — I am prepared to undertake to do the work. I want the Members to understand what the work is going to involve, and the fact that somebody is going to be spending an afternoon or a few hours doing this. The information had better be useful.

Mr. Lang: In fairness to the Minister, why do we not leave it this way: why does he not run off copies of what you have, and we can go through it, and if we have further questions, we will come back. That would be fair, would it not? That would give us an idea of what we are discussing.

Hon. Mr. McDonald: I have a better idea. Why do we not run off copies of the Blues tomorrow, because I just read through the whole list.

Chairman: Are there any further ideas?

Mrs. Firth: Can the Minister tell me whether the costs for the early opening of the roads for the placer miners in Dawson, and in other areas, comes under other roads?

Hon. Mr. McDonald: Yes.

Mrs. Firth: I hate to ask the next question. Maybe the Minister could, in a general sense, tell us, since the roads are opened earlier, what has the impact of the costs been? Has it cost approximately a few thousand dollars more, or whatever?

Hon. Mr. McDonald: If it is true that they are only done once, presumably there will be no added cost. If they require further work because they are open early and there is a snowfall and it is necessary to do it again, then there would be added cost.

Technically, if you really wanted to fine tune it, there may be some efficiencies achieved by running equipment in cooler weather. It may save on gas; I really do not know. If there is any additional cost associated with opening the roads a little bit earlier, I will find out for the Member.

Mr. McLachlan: The figure reported on page 50 for the Nahanni Range Road, $443,000, is that the figure that would be incurred by this government to the Northwest Territories border? If it is not, and we plow the road right to Flat Creek, do we recover money from the Government of the Northwest Territories for plowing the road in their territory?

Hon. Mr. McDonald: The Northwest Territories maintains no part of that road, either on the NWT side or on the Yukon side. We maintain approximately two-thirds of the road on the Yukon side, or two-thirds of the entire road. I think it is two-thirds of the road on the Yukon side.

The mining company maintains the road with its own transport division, at least at the present time, for the remaining third.

Mr. McLachlan: With regard to the maintenance of the Silver Trail from Stewart to Keno, what happens at Flat Creek? Do the government graders stop, and then go down below the mill to do the balance of the road to Keno, or do we do the road for the mining company there right through the Town of Elsa?

Hon. Mr. McDonald: No. Because the road is a public highway between Flat Creek and the other side of Elsa, it should properly done by Highways crews. It is done on occasion, but generally speaking, because there is so much mine traffic, and because mine graders pass through that area so often, quite often it is a shared responsibility. On balance, I would say the mine does more work on the public highway than does the government.

I do not believe the government raises its blade on the public highway and passes over it without doing work if it needs to be done.

Mr. Lang: There is a $33,000 decrease. Can the Minister comment on that? Maybe this is one of the few areas where we are going to see some savings. I am prepared to round it off to $40,000. I want to know why there is a decrease in this area.

Hon. Mr. McDonald: I will attempt to give a general answer to the general question, but I will probably end up breaking this out with pencil and paper in the end anyway.

The 20 percent change is attributed to expenditures resulting from the technical end of the devolution process for Arctic B and C airports. The amount of activity and travel that was undertaken there is less than in the past. We are now getting down to final executive negotiations. That is primarily the reason for the change.

Mr. Lang: How much is involved in outside travel in this area?

Hon. Mr. McDonald: The amount budgeted for next year is $14,735. I will bring it to the Member's attention that our Airports Operations Manager is on the executive of a number of committees and plays a national role as well. We are very fortunate to have him there.

Mr. Lang: I recognize there is a necessity in this area for some of the outside travel. I do not argue that. I think we have come a good way in view of the limited manpower we have had with respect to getting the necessary contacts in place for the B and C airports. I think that has been a better situation than what it was before. One or two individuals in the civil service can take credit for it. I do not think that either past Ministers nor present Ministers can take all the credit.

Mr. McLachlan: Will this government be preparing a submission to the federal Committee on Airport Deregulation? Is there a cost factor associated with that study coming out of this line item?

Hon. Mr. McDonald: There was a preliminary position presented before one parliamentary committee last year. We will be undertaking more thorough analysis from a full range of impacts on the move. The work will be done through the policy unit of the main Policy and Administration branch.

Mr. Lang: I assume this is the area for the cost of running the B and C airports, is that correct?

Hon. Mr. McDonald: That is correct.

Airport Operation in the amount of $1,100,000 agreed to On Recoverable Services

Mr. Lang: Can the Minister generally explain the increase from $328,000 in 1984-85 actual to $203,000. Is this third-party rentals or contracting by the government for doing roads and that type of thing?

Hon. Mr. McDonald: Yes, it is. I do not know the specific changes between 1984-85 and 1985-86, but we are only projecting pretty well what we experienced last year as that which will be
necessary for this coming year.

Mr. Lang: This is a small item to some people, but it is fairly important if we are talking about the utilization of government services for private roads. Has the policy changed, that if there were people with privately-owned equipment in the areas, then it was a requirement for the individual to go to them prior to the government providing the service?

Hon. Mr. McDonald: There has been no policy change. I do remember discussing this with the Member sometime ago. My concerns I expressed as a Member of the opposition are still there. At this time, there has been no attempt to address any perceived problems. When we do, in our long list of things to do, the Member and I can discuss any changes that may be made at that time. At the present time there is no change in policy.

Mr. Lang: Do I take it the Minister is contemplating changes?

Hon. Mr. McDonald: I know the Member does not spend much time remembering what I say in the Legislature, certainly not when I was a Member of the opposition, but I did express some concerns about the cost of using private operators in certain locations in the territory. Even on a cost-recovery plus administration fee, having the government do the work was considered to be very competitive in certain areas. I was concerned, on behalf of a number of residents in the Hootalinqua area, as a matter of fact. They expressed concern to me at that time that they could get a much better deal getting the service from the government than they could from private sector. The government had the equipment available. The private sector, at times, had difficulty mustering equipment, especially during peak times when there was great demand. There were times when only one private sector person was available, and they set their own rates, and people expressed concern about that.

We have not taken a decision to change the policy. The feelings I expressed when in opposition are still a concern to me, but if there is any change of policy, there will be plenty of advance notice; it will be well thought out, and there will be full consultation.

Recoverable Services in the amount of $320,000 agreed to On Transport Services

Hon. Mr. McDonald: There are a number of things here that are worth noting. There is a change here. There will be the full implementation of the transportation as a dangerous goods activity. Funding for the overhaul of the three acts will come out of this item. The item, as I believe I mentioned yesterday, with respect to the driver education, comes out of this item as well.

Mr. Lang: How much is it going to cost to have our acts rewritten by people from Ottawa? What are the taxpayers going to pay for this?

Hon. Mr. McDonald: Here we go. How much is it going to cost, the Member asks, to have the acts rewritten by people from Ottawa? What are the taxpayers going to pay for this?

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Hon. Mr. McDonald: The Member stated there may be inference that the work was already being done so why engage in work overhauling the transportation-related acts. She brought to the House’s attention that there was one line item for the Director of Policy and Planning, which we discussed at great length yesterday, an item here called co-ordinated review of the major transportation acts. There was the discussion of the development of the comprehensive Yukon transportation policy. I guess the implication of the question is: why spend the money on consultants; this is an awful lot of money we are talking about.

It is interesting to note that on the Order Paper tomorrow there is an item there that could easily see $30,000 or $40,000 spent to establish a feasibility of a tramway between the top of the Chilkoot Pass down into Skagway.

There is already a motion on the paper that talks about feasibility of road access from the Haines Road to Tarr Inlet that could be done for $5,000 or $150,000 or $300,000. There are a variety of things that could all cost money. King Port evaluation could be extremely, or moderately expensive, depending on what people want to do with it. Clearly with the issues brought up in this session alone, we could spend $500,000 on consultants fees to give you a good background.

The Member mentions that there is already a review of the department’s acts in the works in the policy and planning unit. There is a long list of acts in the department and a long list of regulations pursuant to those acts. This is a very specialist-related activity.

Mr. Lang: Point of order, Mr. Chairman. By the rules, all I asked was a question of how much it was going to cost for drafting the three acts, and the consultants fees. That is all I asked. Could I have an answer?

Chairman: It is not a point of order.

Hon. Mr. McDonald: It was not a point of order, but it was an interruption.

There are a variety of activities that have to be undertaken as a result of the initiative that we are proposing to take. First of all, there has to be some analysis of what the federal government intends to do and what the provincial governments intend to do. What do we want is compatibility with other jurisdictions with respect to our trucking codes. There has to be an analysis of the freedom to move initiative. There has to be an economic analysis of the impact on the local industry. We have to understand what the Nielsen Task Force is saying with respect to the transportation industry, and what impact that will have. We have to work that up into discussion papers for local industry to discuss.

From the information received from local industry and from other jurisdictions, we have to work up options and alternatives for us. Beyond that, once decisions are made at the political level, the very technical and lengthy legislation and regulations have to be drafted by special legal expertise.

If the Member wants to put it this way, depending on what the people want to say, you could state that the $266,000 will be spent on people who are not doing work now in the government. So you can state that a variety of consultants, legal consultants, people doing economic analysis, people writing discussion papers, people working up options and alternatives, will all be involved in this exercise.

If the Member wants a figure of $266,000, which I have already stated, he can figure on $266,000.

Chairman: We will now recess for 15 minutes.

Recess

Mr. Brewster: I would just like to correct the record. We keep bringing Tarr Inlet up and yelling about studies, number one. If we look at the motion put through the House, it was for three governments. Tarr Inlet happens to be in B.C., and I would suggest that the original study, to see whether it was feasible or not, will be less than $15,000. It is only going to take a few men down there to find whether it is feasible or not.

I get a little sick and tired that they keep throwing this back, that this is part of this. There is a three-way division on this thing.

Mr. Lang: Now that the Minister has had some time to consult with his experts, could he tell me, between the whiz kids — $360,000 — the figure that he just gave us now, which I understand is $260,000, and between the money spent last year and this year, are we looking for this policy formation group in the neighbourhood of $750,000? How much is it going to cost? Forget the economic analysis and the justification. How much is it going to cost? He must have a line item. He must have an idea. It is all hidden.

Hon. Mr. McDonald: The first assumption the Member made is that there were some whiz kids from Ottawa coming in. I explained that that is not the case. Secondly, with respect to the matter discussed at great length yesterday, there was the discussion of many of the initiatives that were taking place. I know the Member does not want to talk about the details, because the details justify the expenditure. The Member wants to know what is involved here.

The figure that was suggested yesterday for the policy unit is for the policy unit. The figure that was suggested yesterday for the revamping of these outdated acts is the figure that we have today. Add it up.

Mr. Lang: Is this particular area under the budget tied in with the policy unit? Do they dovetail? If they do, what is the total amount that the Minister — he has his expertise beside him — is estimating it will cost for all the various studies and everything else that the Minister so kindly gave us yesterday? What is the ballpark figure? Am I out of line? Can I ask it this way? Are we dealing in the neighbourhood of $750,000 for this exercise, between the policy unit that the Minister is going to put together with 10 person-years and the amount of money that they got for the various studies and whatever? Is it $750,000? Is that the ballpark figure that we are dealing with?

Hon. Mr. McDonald: I would have to break down exactly what was involved in consultants’ work for the legal drafting work that is involved in the three acts. I have to break down the figure for writing the discussion papers. Is $500,000 a good ballpark figure?

Mrs. Firth: I really do not like the tone of the debate. I do not want to be undignified but I asked a very simple question, asking for an amount of money that the department was expecting to spend on consultants’ fees.

I may have added it up very crudely and not accurately, and I stand to be corrected. The Minister can tell me that. Surely, the department officials who are making these plans, who are going to the Minister asking for the budget allotments for funds to do these things, must have some idea of how much is involved. It is not an open-ended thing where you can keep asking for things to be done.

The Minister could say that maybe that is getting a little excessive, and we should not be spending $7 million on consultants’ fees. Maybe we could cut it down to $750,000. I am just trying to find out approximately how much money is going to be spent on the policy and planning, the consultants’ fees and on some of the new initiatives.

We have never said whether or not we agreed to the concept of what the Minister is doing. He will have to be accountable one day for that. All we are asking for is an approximate amount of money.

Hon. Mr. McDonald: The Member wanted a ballpark figure. I gave her that, and she did not like that. She wants to know why in giving a ballpark figure I could be so flippant in delivering that kind of figure. I do not understand what the Members want.

The figures were laid out in great detail yesterday with respect to what happened in one branch. They were laid out in great detail today with respect to what is happening in this branch. Of course, there is honing and paring done all the time on what is considered practical. With all due respect to the Member for Kluane, we could spend $500,000 doing a really detailed feasibility study of Tarr Inlet alone.

Mr. Lang: There is always some honing and paring done. The figure today for the revamping of the acts, and I strongly stated it will not be done by the people in the government who do not have the time to
do this work, would be $266,000 if we were to do everything we wanted to do for the three acts and had the finished products at the end. It is not considered likely now, given the state of affairs with respect to Freedom to Move. Should we come back with a finished product after a full consultation period I have given an indication what it would be for the three acts. Yesterday we spent at least four hours on this subject.

Mr. Lang: It is a brand new initiative on the part of the government. We have $260,000 for the three acts. Could he give us a breakdown on transport services? We have $979,000. Could we have a breakdown?

Hon. Mr. McDonald: It is expected that the Motor Vehicles Act would be $106,000, the Motor Transport Act would be $53,000 and the Highways Act would be $106,000.

» Mr. Lang: I asked for a breakdown of the whole $979,000, or whatever the amount is. Maybe he could give us a broader perspective of what we are dealing with here.

Hon. Mr. McDonald: The regular pay for a permanent employee in the transport services administration is $51,000, plus Yukon Bonus. Regular pay for the secretary and the secretary’s benefits for a total of $106,000. Employee in-territory travel is $800. Employee travel outside the territory is $12,600. The contract services I just mentioned: repairs and maintenance for $200,000; supplies for $2,100; postage and freight for $200; Other for $500; communications for $3,400; motor vehicles: this area, the total salary and wages are $222,000 — that is broken down into $50,000 for fringe benefits and $7,000 for Yukon Bonus. Regular pay for casual work is $18,000. Regular pay for permanent is $175,000. Employee travel in Yukon is $5,000; employee travel outside of Yukon is $5,100.

Contract services is $29,000. Repairs and maintenance is $5,000. Supplies, $27,000. Postage and freight for $300. Advertising is $7,000. Program materials for $54,700; telephone is $4,600 for a total of $356,400.

Weigh scales administration and mobile enforcement: the weigh scales supervisor and the mobile enforcement officer, together with the Yukon Bonus and fringe benefits totals $76,000. Employee travel inside the territory is $10,000; employee travel outside the territory is $300,500. Repairs and maintenance is $1,900; rental expenses is $28,000; supplies for $1,650; postage and freight is $600; communications $3,800; non-consuming supplies is $500.

Under weigh stations, portions of which are recoverable from highway maintenance and 46 percent from DPW. Permanent pay is $508,000; $88,000 for casual pay; Yukon Bonus is $20,000; fringe benefits are $71,000 for a total of $687,000. Employee travel in the Yukon is $4,000; repairs and maintenance is $19,000; rental expense is $8,000; supplies is $6,050; postage and freight is $1,200; utilities is $47,500; telephone is $9,900.

Dangerous goods: the pay, bonus and benefits total $41,000. Employee travel in Yukon is $2,300; employee travel outside Yukon is $4,600; rental expense is $3,750; supplies for $2,200; advertising is $10,000; communications for $2,400; non-consuming supplies is $500.

» Mr. Lang: In view of the fact he has $265,000 allocated for the three acts, where is the money put aside for other areas of concern in the Department in conjunction with the policy planning group at a cost of $360,000. My understanding is that the policy planning group will cost in the neighbourhood of $360,000 for salaries alone. Where is the money in the budget for the commissioning of studies? If there is money in the budget, which area do we look in?

Hon. Mr. McDonald: I refer the Member back to the Blues in Renewable Resources there is an objective that is exactly the same, and that is to develop and manage Yukon lands, and planning, developing and management of Yukon lands. Which department is taking the lead role? Is it the Department of Community and Transportation Services or Renewable Resources?

Hon. Mr. McDonald: There are a number of functions being carried out here. With respect to the land disposition, it is the responsibility of the Lands branch to dispose of lands. There is a shared responsibility with respect to land use planning. The
responsibilities are shared this way: for communities, it is the community government that does the planning; for regional subdistricts, it is the Department of Community and Transportation Services that would be responsible for leading the planning initiative; and for other than the subregional, very specific, close-to-community planning, it would be the Department of Renewable Resources that would be responsible for leading those planning issues when they take place.

Mrs. Firth: I notice that the Lands and Assessment Program for the Department of Community and Transportation has the authority to develop the framework for the legislative and regulatory work, but the Department of Renewable Resources does not. Is there some particular reason for that? Could the Minister enlighten us on that?

Hon. Mr. McDonald: This department is responsible for administering the various lands acts, the Area Development Act, etcetera. For that reason, it is responsible for much of the technical detailed work for land in all classes.

At the present time, until the disposition policy is transferred back to Lands, apart from agricultural land, the identification and development of the land is the responsibility of this Lands branch.

Mrs. Firth: The Department of Renewable Resources does not have any real legislative authority over development and management of Yukon lands. It is only the Department of Community and Transportation that has this authority?

Hon. Mr. McDonald: In the main, yes. I am not sure who would be responsible specifically for the Land Use Planning Agreement. I just explained the shared responsibility, at the administrative level, with respect to undertaking land use planning. Zoning, etcetera, is the responsibility of the Lands branch. There has been no change in responsibilities from the previous year.

Mr. Lang: Is there any money in this budget for rewriting the Lands Act, which the Minister pointed out was a priority?

Hon. Mr. McDonald: No.

Mr. Lang: The Municipal Finance Act is the responsibility of the Minister, and I know it comes under a different section, but the assessment is tied in. Are there going to be changes in the method of assessment? The Minister talked about doing a reassessment every two years, or updating the assessment by a paperwork exercise in the office so that we do not get the dramatic changes that we have seen in the past year. What changes does the Minister intend to make?

Hon. Mr. McDonald: The assessments are done every four or five years. Quite often, when the assessment is done, there can be a dramatic increase from one assessment to the next. Some balancing factor is taken into account for assessment changes in a community when those changes are greater than 10 percent.

We are planning to consider identifying a representative sample of land in all the communities and negotiate that with the community government to determine its acceptability for that purpose. That representative sample will be requested every year, and the full assessment will be done, as is currently the case, every five years. Essentially, what we are doing is fine tuning the assessments on an annual basis with the thorough assessments as exists normally every five years. That is a proposal we are going to investigate to determine whether or not we can seek agreement with the communities on that score.

Mrs. Firth: I am just going through the 1985-86 budget. There has been a change in the structure of this program; it was previously lands and housing, and now it is called Lands and Assessments and the Yukon Housing Corporation has been removed and has become its own program.

In the broadened objective, I notice an objective has been included to regulate land use activity outside municipalities through the enactment of area development regulations. Can the Minister tell us why they have highlighted that as an objective of the department?

Hon. Mr. McDonald: Because that is one thing that the department is doing.

Mrs. Firth: Is there some specific reason for putting it as an objective, or is it just a function that was being performed so that if they decided to put it in —

Hon. Mr. McDonald: That is correct.
there is another $43,000 here in contract services?  

Hon. Mr. McDonald: The contract services projected for the squatters policy would be in the neighbourhood of $50,000.

Mr. Lang: In view of the fact that most of that work was done last year, how much is going to be spent this year; $50,000 plus what we spent last year?

Hon. Mr. McDonald: The work that was done last year was largely by the Director of Lands and by me.

Mr. Lang: From the outset of the document that has been tabled to the end of the public consultation process, and a definitive political decision being made, it will cost $50,000?

Hon. Mr. McDonald: Let us see. Members will note we are about five weeks into a new year. The squatter policy has just come out.

Mr. Lang: I am not arguing that. I notice you have $17,000 for assessors and I would like to know what services we are contracting?

Hon. Mr. McDonald: There are consulting appraisors involved, an official sort of expenditure. There is the legal services for assessment review boards and assessment appeal boards, there is the assessment software implementation and essentially that accounts for the $17,500.

Lands in the amount of $474,000 agreed to 
Assessment Services in the amount of $381,000 agreed to 
Lands and Assessments, Expenditures in the total amount of $855,000 agreed to 

« On Yukon Housing Corporation
Chairman: Page 56, Yukon Housing Corporation, general debate.

Hon. Mr. McDonald: The seven percent reduction, which is $108,000, reflects the net of the following: an increase in revenues and recoveries — there are more rental units available, a higher occupancy rate, of $368,000, balanced off against the increased expenditures for upgrading the units and for social housing policy. The increase in expenditures for upgrading the units is $185,000; social housing policy, $75,000.

Mr. Lang: What do you mean by social housing policy? Is this $75,000 the cost to contract for looking for alternatives in social housing policy?

Hon. Mr. McDonald: In part. It is also the needs assessment that is currently being undertaken.

Mr. Lang: Have you received a copy of the social housing policy that was commissioned by a contractor, I understand, quite a few months ago?

Hon. Mr. MacDonald: We have not received any such study; we have not even started.

Mr. Lang: My understanding was that it was a housing study under, I believe, a fellow by the name of Mr. Tunis. He was doing a study on social housing. I was wondering if you were in receipt of it. Are you doing so many studies that you do not know how many you have commissioned? My understanding was that it was completed.

Hon. Mr. McDonald: We have to be able to identify the studies accurately. If the Member is referring to a needs assessment, I have not personally seen it. I do not know whether it has been officially received by the department. I remember, at one point not too long ago, it was winding up. I would have to check on the question to determine whether or not we have, in fact, received it and whether any analysis has been done on it.

Mr. Lang: Could we receive a copy once the Minister has had a chance to peruse it?

Hon. Mr. McDonald: I do not see any reason why not.

Mr. Lang: When does the Minister think the housing needs study, which is commissioned for $75,000, is to be concluded, and what is he looking for as the ultimate end of this particular study?

Hon. Mr. McDonald: The work would be done to coordinate, first of all, the activity of the corporation and to reflect, in policy, the results and the direction we would like to go with respect to social housing. A needs analysis was one step in that exercise to identify the needs as perceived by communities around the territory. Following that, there will be the necessity of tying the needs to a policy framework on how the corporation can best address those needs. That is what the intended outcome of the initiative is.  

 « Mr. Lang: Is the department resuming the policy of the previous government on the sale of the rental-purchase units? Is it still pursuing that with the objective that eventually these will be privately-owned homes where feasible?

Hon. Mr. McDonald: If there is a buyer available who is willing to pay the price, we will be prepared to sell. In 1984-85, there were two units added, and 23 units were disposed of. In 1985-86, there were 12 units added and 10 units disposed of. Where there is a desire for rental-purchase, if a band in a community can make use of Yukon Housing units, we would be more than prepared to sell.

Mr. Lang: It is fine to bounce around statistics. Does that take into consideration the buy-back scheme as well? If it does, it distorts the principle that we are discussing.

Hon. Mr. McDonald: I do not know. I will check for the Member.

Mr. Lang: I believe in private ownership. We have 91 rental-purchase units. What efforts are being taken in Haines Junction, Mayo and Dawson City to revise the present policy to make it easier to sell?

Hon. Mr. McDonald: That is part and parcel of the same thing. If the Member has some ideas about making the sale easier, maybe he could explain those.

Mr. Lang: I do not have the policy in front of me. There is a policy in place that states that an individual can pay so much of his rent towards the purchase price. Sometimes, depending on the social situation and the economics of the individual, it is beyond their ability to do that. Are there any further revisions being done?

I do not have all the ideas on this side of the House. The principle is that some other incentives can perhaps be built in to encourage this line item to be decreased to $50,000 if proper steps are taken by the government and if individuals own their own homes. I am making representation to the Minister. I think it is an area that could be looked at.

« Hon. Mr. McDonald: The government would like to encourage home ownership. The Member is not wasting his efforts in making a representation, at all. The Member will know that under the rental-purchase scheme in the past, a number of factors have been taken into account. My understanding is that the deficits incurred during the operation of the rental portions of the program are funded through the National Housing Act. I cannot remember which section it is. Maybe I can find out.

It is Section 44 of the National Housing Act, by CMHC on a 50/50 cost share basis. One factor that is taken into account is the ability of the person who wishes to purchase a house to afford all the obligations of home ownership, which includes paying your taxes, and paying for utilities, et cetera.

The government is interested in encouraging home ownership. We have had lengthy discussions with the Council for Yukon Indians on this matter. They have given an indication that they are concerned that that stipulation by Yukon Housing Corporation and, to a certain extent, CMHC have made it difficult for people to own their own home. There is the stipulation that the future owner should have the financial wherewithal to pay for the ongoing costs. Last year, after extensive discussions with the Council for Yukon Indians, it was agreed between the Yukon Housing Corporation and the Council for Yukon Indians, by whatever principle, that there would be a review of that particular situation to determine whether or not it would be possible to make it easier for people to own their own home, and to lighten the load of the stipulation. I believe that there was a minimum income requirement of $15,000. We checked with the NWT, and they had a minimum income requirement higher than that.

In any case, we have agreed to review the situation. We would like to encourage home ownership, if at all possible.

Mr. Lang: I think that it is an area that would serve our communities very well if we can take further steps in this area to encourage individual home ownership. I do not think the transfer to another organization is necessarily the answer. I want to stress individual home ownership. This is what I am talking about when I talk about home ownership.
I would like to move to another topic in this area. It is the question of contracting the services for maintenance. I understand there have been a number of changes made with respect to the question of maintenance contracts; that the Minister is not asking for tenders, but is asking for proposals. Could the Minister tell me why that change in policy has come about?

**Hon. Mr. McDonald:** The maintenance function under the Yukon Housing Corporation has been sent to Government Services. The future of the maintenance function is under review, but at least at the present time, the department has undertaken this function. This means they are now the contracting authority with the various maintenance supervisors in the communities.

As I understand it, under the old bylaws of the corporation, the corporation could renew contracts with the people in the communities who had traditionally been doing the work without a retendering of that contract. This had led some contractors to believe that, despite the length of the contract itself, they could continue to perform that service, as long as they were performing the service satisfactorily.

When it moved to Government Services, and perhaps the Government Services Minister could explain this better, they were requested to follow the contract guidelines and a retendering was done. This caused some discussion within the communities about that approach as opposed to the approach previously taken by the Yukon Housing Corporation.

We would like to review the future of the maintenance function for the corporation. There may be a reversal to the corporation itself.

**Mr. Lang:** You did not answer my question. Why did we change from a tender to proposals? It is a very basic principle. You tender and ask for certain services under certain conditions. Proposals leave you in a situation, as I understand, where you are not even subjected to the contract directives. I would like to know the reason for the change, if that change has taken place. Perhaps the Minister for Government Services would like to have his dulcet tones come across the airwaves for a minute.

**Hon. Mr. Kimmerly:** I thank Mr. Lang for the compliment about my voice.

The reason is that the work is fundamentally maintenance work. It is not a contract for specific services. It is an arrangement to do maintenance work as needed. It is in the nature of a standing offer.

The practice of the Housing Corporation, in the past, did not follow the government's contracts directives or the regulations in force at the time. There was a concern about the lack of ability to do proper audits, proper financial accounting and control of the work actually performed.

The procedure that is now almost completed since the changeover has occurred is in complete conformity with the government's directives, and the proper financial and auditing controls are in place.

**Mr. Lang:** It is the first time I have heard that they did not subscribe to the contract regulations. How do they not subscribe to the contract regulations? What was the concern?

**Hon. Mr. Kimmerly:** I do not know the specifics in each individual case. In general, a business relationship had to develop between the corporation and the private sector. They billed for the work that occurred.

There was not a proper auditing function in place. The financial management that the Auditor General was commenting on, concerning the old system under the Yukon Housing Corporation, is corrected, in part, by going to the proper government procedures.

**Mr. Lang:** Could the Minister tell me if he is going out for a tender or for a proposal? There is a distinct difference.

**Hon. Mr. Kimmerly:** I totally agree that there is a distinct difference. I will have to check on each of the individual cases. It is an answer that I will be able to provide very quickly and perhaps tomorrow is an appropriate time.

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**Hon. Mr. McDonald:** I move that you report progress on Bill No. 5.

*Motion agreed to*

**Hon. Mr. Penikett:** I move that Mr. Speaker do now resume