



The Yukon Legislative Assembly

Number 79

3rd Session

26th Legislature

HANSARD

Wednesday, April 1, 1987 — 1:30 p.m.

Speaker: The Honourable Sam Johnston

Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

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

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Danny Joe	Tatchun
Sam Johnston	Campbell
Norma Kassi	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

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

Liberal

James McLachlan	Faro
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LEGISLATIVE STAFF

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Clerk Assistant (Legislative)	Missy Follwell
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Sergeant-at-Arms	G. I. Cameron
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Hansard Administrator	Dave Robertson

Whitehorse, Yukon
Wednesday, April 1, 1987 — 1:30 p.m.

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

Prayers

DAILY ROUTINE

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

TABLING RETURNS AND DOCUMENTS

Hon. Mr. McDonald: I have for tabling two legislative returns from the Department of Education. The first relates to the disposal of 21 chairs from Porter Creek Junior High School, and the second return relates to contracts and other matters pertaining to the Joint Commission on Indian Education and Training.

Speaker: Are there any Reports of Committees?
 Petitions?

PETITIONS

Petition No. 7

Clerk: Mr. Speaker and hon. Members of the Assembly, I have had the honour to review a Petition, being Petition No. 7 of the Third Session of the Twenty-Sixth Legislative Assembly, as presented by the hon. Member for Faro on March 31, 1987.

Pursuant to Standing Order 66(1) of the Yukon Legislative Assembly, it is my responsibility to report whether petitions conform to the rules recognized by the House. This Petition does not conform in the respect that the sheet containing the body of the Petition does not show the signatures of at least three petitioners as is required by Standing Order 65(7) and Annotation 677 in *Beauchesne*.

Speaker: This Petition, then, cannot be received.

Are there any Introduction of Bills.
 Notices of Motion for the Production of Papers?
 Notices of Motion?
 Are there any Statements by Ministers?

MINISTERIAL STATEMENT

National Science and Technology Policy

Hon. Mr. Penikett: I should like to inform the House that on March 12 the Yukon government joined with all provinces, the NWT and the federal government in signing Canada's first National Science and Technology Policy.

This policy, which has been under discussion and active negotiation for two years, commits the federal, provincial and territorial governments to a renewed and cooperative effort to establish science and technology as an integral and crucial component of this country's economic and social development.

The policy recognizes the differing priorities and capabilities of Canada's regions in science and technology and ensures their relationship to regional economic development.

Under this policy seven federal-provincial-territorial working groups have been established to develop strategic options for the application of the policy. One of those working groups will examine the linkages between science and technology and regional economic development. The Yukon will be represented on this working group and as a result will be able to ensure that the needs and priorities of Canada's northern regions are clearly reflected in any strategy developed.

I should also point out that our determination in assuring that this

national policy received our attention and that of our provincial and federal colleagues, was sustained in part through our own Yukon science policy, which you will recall was introduced in this House one year ago.

That policy acknowledged this government's recognition of the fact that in order to ensure the competitiveness and viability of Yukon industries, we must begin to develop an awareness among Yukoners of the significance of science and technology to their future. That policy also commits this government to the development of our own science and technology strategy as a component of our economic development strategy.

We have made progress in that regard.

The national policy has been confirmed. In addition, we have added science and technology, and research and development to the list of topics under discussion in the Yukon 2000 process.

In the near future, I hope to be able to announce to this House that the Yukon and federal governments have signed a formal memorandum of understanding on science and technology. This agreement will give substance to the national science policy and will help direct our efforts in the application of science and technology to the Yukon's social and economic priorities.

As evidence of our and the federal governments' commitment to the development of a Yukon science and technology strategy, I can point to the recent initiation of a major cost-shared study into the role of science and technology in the Yukon. This study, when completed, will provide us with practical options for the integration of science and technology into the mainstream of the Yukon's economic life, and will suggest the most appropriate methods for the implementation of Yukon science and technology strategy.

Mr. Speaker, the Yukon was pleased to sign the national policy that I am tabling, today. It represents a clear understanding by all regions of this country that our futures are inextricably linked to how well we make use of, and develop, our opportunities in this important area.

Mrs. Firth: I rise today to respond to the Ministerial Statement and to tell the Government Leader that we are pleased to see some movement in this area.

I was particularly interested in the news release that was included with the package from the National Science and Technology policy signed in Vancouver, where the territorial governments and both territories are very significantly given recognition. It is pleasant to see, when governments and Ministers are referring to federal, provincial and territorial governments and efforts and regions, that we do get that recognition.

It is not that often that we see it. I think we must make note of it when we do.

The Yukon Science Institute is also pleased with the agreement that has been reached, and have also been included in the Yukon 2000 process. On this side of the House, we are complimentary of the government for having done that. We are reassured that they will be part of the overall Yukon 2000 process.

With respect to the Memorandum of Understanding on Science and Technology that is going to be signed, we will be looking forward to seeing what that includes, and also to reviewing the study that is to be forthcoming. We are pleased to hear the news that the Government Leader has brought forward.

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

QUESTION PERIOD

Question re: Porcupine caribou agreement

Mr. Phelps: With respect to the initialed Porcupine caribou management agreement that we discussed at some length yesterday in Question Period, I asked a question of the Minister for Renewable Resources if the Minister had any concerns that, if we keep dilly-dallying around, we might lose this agreement entirely. The answer was: "With respect to the question as to whether or not delay at this point would affect the outcome of the agreement, my

information is: no. I have checked this. I did ask the Minister responsible for the Department of the Environment if they had been given any signals to that effect. The answer is negative. We have received no signals from the United States that they were not prepared to endorse and uphold the agreement that they initiated."

Is that still the Minister's position, that delay would not jeopardize the agreement?

Hon. Mr. Porter: I would agree with the Member that if we delay indefinitely, in all probability a delay in our side of that magnitude could possibly affect the outcome of the negotiations. But, as I told him yesterday, what we attempted to do was strengthen the agreement, and in order to strengthen the agreement — because it is between the two national governments — it is necessary for the Government of Canada and the Government of the United States, through the appropriate departments of External Affairs and the State Department, to conduct those negotiations. It has become abundantly clear, as a result of my meetings in Ottawa as well as the Government Leader's meetings, that the position of the Government of Canada is quite clear on this issue. They will not support any initiative to go back to the negotiating table to renegotiate any aspect of the agreement, so I would think that it is incumbent upon us to reassess our position. I stated that yesterday. I stated that last week in an interview with the *Whitehorse Star*. The Porcupine Caribou Herd Board met in Old Crow. They have reached a decision. In all probability we will be having something further to say on this officially as the Government of the Yukon, tomorrow.

Mr. Phelps: I am very pleased that we will have something official, but I would still like to clarify the Government's position, because it was with a great deal of interest that I read a story in yesterday afternoon's *Whitehorse Star* that followed up on the issue and I had not had the privilege of seeing that before Question Period yesterday.

In that report the Minister is quoted as saying about External Affairs Minister, Joe Clark, and the External Affairs Department: "They feel that we should go back to the table. We could lose the whole agreement because of the substantial amount of pressure being brought by lobby groups. Oil companies in particular have been lobbying hard to be able to explore for petroleum in the herd calving grounds, Porter said." Does this Government agree with the assessment of the Department of External Affairs, as I have just quoted on this issue?

Hon. Mr. Porter: With respect to whether or not we agree with that assessment, I would say that that is a debatable question. If External Affairs had taken on support for the position that we were articulating, which was to change specifically sections of the agreement that spoke to habitat, then I would feel a great deal of comfort at being able to articulate some possibility of change. Given the fact that we know very concretely that we cannot, no matter what we do at this stage, change the agreement because we do not have the ability or the jurisdiction to initiate such change, given External's solid position on that, I think that the answer with respect to what it is we do about the agreement becomes abundantly clear.

Mr. Phelps: I am asking these questions because I really want to make sure that we all understand where the government is going. My next question, obviously, is if the Minister's position remains as it was yesterday in Question Period that a delay will not jeopardize the agreement, and yet if he agrees at all or has any faith at all in the experts in External Affairs that any attempt to renegotiate any portion of the agreement could lose the agreement, then my question is what is the point of delay if he cannot go to the table and try to enhance it?

Hon. Mr. Porter: I think the political assessment is all relative to the kind of effort that is being put into the particular issue by the parties concerned. We have made efforts to try to influence Canada's position, to try to go back to the agreement to renegotiate. Canada is saying no. Then, given that kind of position by Canada, I suggest that our alternatives are very limited. As I stated to the Member, and as I stated to the reporter who questioned me after my meeting with Mr. McMillan in Ottawa last week, the government would be reassessing its position. We have the benefit of the

consideration of the Porcupine Caribou Herd Board and, as I stated earlier, I expect to make an announcement to the House with respect to this government's further intentions on the matter.

Question re: Porcupine Caribou agreement

Mr. Phelps: Going back to the article and the quotes attributed to the Minister in yesterday's *Star*, the story states that the Minister said that there were three options open to the government, and he will take the issue back to his Cabinet for consideration.

One option is to simply do what the Yukon government had decided to do: hold off deciding the agreement until the decision on exploration is made by the interior department. The hope is that if Congress looks like it is against the development then the US might then be willing to consider a stronger deal. Another option is to sign the deal right now, if the Americans agree to a clause saying that the agreement will be formally reviewed in two years. Another option, a third one, is for the Yukon to go it alone in lobbying for a change from the US.

My question to the Minister is: surely, that does not exhaust the options open to this government, does it?

Hon. Mr. Porter: We can dream up all the options we want, but I suggest that with respect to the decision that is before us, the options become limited by the politics around the issue. With the option with respect to the question of delay, until the EIS report, as delivered by the Department of Interior, is made to Congress, that definitely was an option of consideration.

A lot of these things are impacted on events that occur, and the Government Leader was meeting with the Governor in Alaska and also in our discussion with Alaskan officials. Our information now is that Congress may not deal with this issue for a couple of years. So, with respect to that new information, obviously that option becomes less palatable.

Mr. Phelps: I would like to make my concern abundantly clear to the Minister. The option that he has not even been discussing is taking the expert advice from all the experts available and signing this deal as soon as possible, or ratifying it, and urging Canada to sign it, urging the United States to sign it, and getting this board in place so the herd can be protected. Would the Minister not agree that that is not only an option that he failed to mention yesterday but the only rational option facing the government?

Hon. Mr. Porter: The report was given yesterday, but the conversation took place last week. This is an event that has been impacted almost daily and weekly, so options do shift and politics do shift. Nonetheless, with respect to the question, signing immediately as is is one of the options. That option would be considered as well.

Mr. Phelps: I take it that the government's position will be made clear to this House tomorrow or in the next few days and prior to hearing back from all the groups that they wish to consult with. That was your position two days ago.

Hon. Mr. Porter: We were very concerned that we would hear from the Porcupine Caribou Herd Board prior to making a decision. I had the opportunity to speak to the chairman of the Board this morning. The Board has taken a position on the agreement. In all probability, I will have something further to say in the House, hopefully as early as tomorrow.

Question re: Yukon Public Legal Education Association

Mr. McLachlan: The Yukon Public Legal Education Association is closing its doors today, the victim of a heartless Justice Minister, who is more prepared to spend \$70,000 on human rights education than he is on legal education.

Why could he not find sufficient funding in this \$16 million budget to allow the society to carry on its mandate for another year?

Hon. Mr. Kimmerly: I was just now reading an article in a national legal magazine about the situation of all these centres all across Canada. The question was phrased, and I will repeat the phrase, "a heartless Justice Minister". That is totally uncalled for. The federal government had stopped the funding. This Justice Department has extended our portion of the funding. The question is totally irresponsible and inaccurate.

Mr. McLachlan: The Minister campaigned on a program of

self-help with a minimum of professional advice to assist people with the complexities of the law. People who could not afford the services of professional lawyers were encouraged. The answer from the Minister is interesting because that goes right to the heart of the NDP philosophy.

In effect, what the Minister is doing is denying the people who best need the help, that help, at the expense of the legal profession.

Has the Yukon Public Legal Education Association been performing a worthwhile service for this territory, or has it not? That is the question, yes or no.

Hon. Mr. Kimmerly: Yes.

Mr. McLachlan: The Liberal government, under Solicitor General Warren Allmand, started the program because they recognized the need for it. It seems to be up to the NDP now, who are intent on severing the umbilical cord. What efforts, if any at all, did the Minister make on behalf of the Legal Education Association of the Yukon to appeal to the federal Solicitor General's Office for funding, and what were the results?

Hon. Mr. Kimmerly: As this type of question, and the irresponsible phraseology of the question, is obviously an attempt to enter, at least in part, the federal by-election campaign, I will answer in kind.

The specific answer is that the federal Minister is very well aware, by letter and otherwise, that the Yukon government supports the principle of public legal education and specifically supports wisely. I would ask: what efforts has Don Branigan made?

Question re: Deputy Minister of Education

Mrs. Firth: I have a question for the Government Leader regarding the Deputy Minister of Education.

I would like to ask if the Education Council interviewed the six applicants who were short-listed, and did they make any recommendations to the Government Leader?

Hon. Mr. Penikett: I do not believe the Education Council did interview the six applicants.

Mrs. Firth: I would like to ask if the Minister of Education made any recommendations regarding the six applicants?

Hon. Mr. Penikett: Conversations between two Ministers in this Cabinet are privileged.

Mrs. Firth: I would like the Government Leader to tell us if any of those six applicants were local individuals and why they were not totally satisfactory and whose opinion that was.

Hon. Mr. Penikett: One of the applicants was local. For reasons that she will understand, I do not intend to discuss the personnel matters and particular individuals' qualifications or otherwise for positions with this government on the floor of this House. It was not done by the previous administration; it will not be done by this one.

Question re: Deputy Minister of Education

Mrs. Firth: I understand that there were some recommendations forthcoming from the Education Council and, probably, from the Minister, from the information that has been given to me.

On the same issue, when the Deputy Minister for the Department of Education job was advertised a second time, can he tell us why there was a change made in the terms of the position and why there was no salary range identified in the new job?

Hon. Mr. Penikett: There seem to be three questions there and one or two assertions of fact. I will deal with them in reverse order. The last question is because, at the moment, the deputy minister salaries are under review. The second last question is that some redefinition of the position was done; I think it was a rewriting of the ad. It is not a great consequence. The job description did not change in a major way.

The third last question had something to do with the Education Council. The Member is misinformed. The chair of the Education Council was represented on the interviewing committee, but the Education Council itself was not involved in the process.

Mrs. Firth: I would like to pursue the matter with the Government Leader. Many Yukoners are asking why we do not have a new Deputy Minister of Education, and when are we going to have a new Deputy Minister of Education. Since the department

is presently pursuing a huge review and considering rewriting the *School Act*, is the only department in the government who had an Assistant Deputy Minister, who now cannot even have a Deputy Minister, while other departments are busy hiring Assistant Deputy Ministers, can the Government Leader tell Yukoners when we are going to have a new Deputy Minister of Education?

Hon. Mr. Penikett: As soon as an acceptable candidate is found, we will have a new Deputy Minister of Education. The department is doing valuable work, not only in the Indian education field but the post-secondary education field, training, developing a new College Act and looking at opening up the *School Act* and having a new *Education Act*. This is all important work. I think the Member opposite will understand, as the former Minister, that it is not all done by the deputy. It is not unheard of to have deputy minister positions vacant for a considerable length of time. I believe when we came into office, we had one position vacant for 10 months.

Sometimes these hiring processes take longer than we would like. I am not going to rush to judgment on such an important decision.

Mrs. Firth: Are we going to have a new Deputy Minister before the review process of the department goes ahead? The Deputy Minister might not do the whole review process himself, but he or she is certainly going to coordinate it. Yukoners would like to know if we are going to have a new Deputy Minister before the whole review process of the *School Act* is completed?

Hon. Mr. Penikett: As I have said before — I believe this may be the twelfth or thirteenth time — we will be attempting to put a deputy minister in place in the Department of Education as soon as we possibly can.

Question re: Placer mining, effluent standards

Mr. Nordling: I have a question to the Minister of Economic Development with respect to placer mining. In January, and again on February 11, I asked the Minister for an update on the status of the negotiations between DIAND and the Department of Fisheries regarding effluent standards for the placer mining industry. In January, the Minister said that he would put the question to his officials and try to provide an update within a few days. In February the Minister said "if I cannot provide a complete and substantial response by the time the House rises in this sitting, perhaps the Member will be content with me communicating by letter the substance of the information he seeks."

I have not received the letter, and it is April. Does the Minister have an update at this time?

Hon. Mr. Penikett: I regret that, because there has not been as much happening on the federal front as we would like, I cannot tell the Member an awful lot more than I did when the House was last sitting. I will, however, in the course of this sitting, be trying to come back to the House with not only a more detailed report, but a more substantial response on our reaction to the federal initiatives.

I am advised, as I think I previously told the Members, that while this government supported the intent of the task force report — and while not agreeing, perhaps, with all the detailed recommendations — the federal government's position with respect to the task force was that its recommendations concerning legal certainty were incompatible with existing provisions of the *Fisheries Act* and, therefore, not, from their point of view, practical. There are, from the Department of Fisheries and Oceans, now a draft sediment discharge and effluent regulations. In early March this government, industry and other interest groups were afforded an opportunity to see them.

We are going to be receiving, I understand shortly, a further communication from the federal government, and it is our intention, once that document is received in terms of the federal intentions, for us to make a formal response. It is my intention to make that formal response public in this House if we are sitting.

Mr. Nordling: The Government Leader and Minister of Economic Development is right. He made the same speech several times in the last session.

Is this government going to show some initiative with respect to our placer mining industry and do something concrete to expedite discussions to achieve an agreement between the two parties?

Hon. Mr. Penikett: We are doing what we can, and we will do what we can. The Member describes two parties, and I think he will concede, if he thinks about it for a moment, that there are more than two. The principal problem, or delays, originate in two federal departments. We have a modest amount of influence, I would suggest, on those bodies, but not sufficient to get them to move with the speed that we would find desirable.

I will certainly communicate again the Member's sentiments, and I am sure all Members' sentiments here, to my officials and make sure they are transmitted to federal officials. The delays that apparently are frustrating and concerning the Member opposite originate unfortunately with the federal government.

Mr. Nordling: It is surprising to hear the Government Leader talk about the lack of influence that we have with federal departments when the Minister of Renewable Resources considers an option of negotiating with the United States of America on his own. The Government Leader said we are doing something: what exactly are we doing?

Hon. Mr. Penikett: I believe I have answered that question before, but I am in perfect harmony with my colleague, the Minister of Renewable Resources. Given the lack of satisfaction that we have had with Canada negotiating on our behalf with the United States and other people, it is not surprising that we think we could do a better job if given the opportunity.

I think I could name a number of recent issues where we took the initiative, raised the matter, received national coverage, had it intervened with another government, communicated our positions, apparently before the federal government even knew the issue was around.

Question re: Liquor bottle returns

Mr. Phillips: I would like to bring the government back down to reality again for a moment, and ask a question of the Minister of Justice about the empty liquor bottle return system that the government has adopted. I understand that system was put in place to reduce litter in the Yukon. The Minister stated in his statement of how the bottles will be marked. Could the Minister elaborate on who will do the marking and how the bottles will be disposed of afterwards.

Hon. Mr. Kimmerly: The Liquor Corporation will do the marking by affixing a sticker onto the bottles. These stickered bottles will be sold to the public, but licencees will be able to buy bottles without stickers, thus avoiding the extra inventory costs for licencees.

The disposal of the bottles after the return to the liquor stores will be in the local dumps where they are now going in large part.

Mr. Phillips: In investigating what other provinces do, I found that other provinces started the same way we are starting, by marking them. Now they have switched to unmarked bottles because they have found there is no need and no influx.

I am sure his department has checked it out, but why has the Minister decided to put liquor employees to all this extra work and cost to mark the bottles when it has been proven in the only other jurisdiction that has this that there will not be an influx of bottles from other areas?

Hon. Mr. Kimmerly: For two reasons. One is the possibility of transporting bottles into the territory. I would dispute the assertion that it is proven that this would not occur. The experience in Canada is insufficient to make clear statements one way or the other. That is the first reason. The second reason is that, after consultation with licencees, specifically through the BC and Yukon Hotels Association, it was determined that it is possible and desirable from the point of view of licencees who sell — I believe it is approximately a quarter of the liquor in the territory — to avoid extra handling costs and extra expense for them.

Mr. Phillips: I also understand with this policy the Minister is going to allow a grace period where unmarked bottles can come in. I would like to suggest to the Minister that he could adopt a policy like they have in Alberta where, in the border areas, people could bring bottles in, they monitor the inflow and outflow of bottles. You could maybe just mark the bottles in that area, instead of putting every liquor store to the added expense and time of marking

all these bottles.

Would the Minister consider that as a better approach, instead of marking all these bottles? Would the Minister also consider that, possibly this summer, many students could go out of the Yukon, run along the highways and the streets of the Yukon, could gather up these bottles and, after all, is that not the reason we have this policy? It would clean up the litter in the Yukon?

Hon. Mr. Kimmerly: Those are interesting representations. It strikes me immediately that the only liquor store that is not in a border area is in Mayo. I will take those suggestions under advisement.

Question re: Service contracts

Mr. Lang: It is not my intention to discuss the federal campaign today, or how the NDP nomination is going or, for that matter, ask how the Government Leader has overturned the United States of America with respect to major decisions.

As of last session, this is a very controversial issue. The commitment was made to table a copy of all the service contracts that have been let over the past year, which was going to be done as of April 1 so that we could review them while we were going through the Supplementaries.

Could the Government Leader tell us why it was not tabled today?

Hon. Mr. Kimmerly: I can answer that. We are making every effort to table it as soon as possible. The contracts up to March 31 in the last year will be included. The collection and collation of all the material is underway. I am expecting to be able to table it before the end of this sitting, but certainly not this week or next.

Mr. Lang: Has all the information been collected in respect to all the contracts let up to March 1st?

Hon. Mr. Kimmerly: I do not specifically know the answer to that. I will find out and get right back.

Mr. Lang: If all the service contracts let up to either February 1st or March 1st have been compiled, would the Minister then table them in the House that day so that we could have that information as opposed to waiting until perhaps July to discuss contracts let last November?

Hon. Mr. Kimmerly: I will seriously consider that representation

Mr. Lang: I would like to go further on the question of contracts. I would ask the Government Leader: would he be prepared to table all contracts that have been let where the lowest bidder has been bypassed and Management Board has had to make a decision in areas of this kind?

Hon. Mr. Penikett: I will take the question as notice. I do not know whether the Member is seeking a new policy over and above the one we wasted a lot of time wrangling over in the last sitting or exactly what he is proposing, but I will take the question as notice.

Mr. Lang: When I discuss public money, I do not really refer to it as a waste of time. I would ask the Government leader, since the commitment was made approximately one month ago — actually two months ago — to have contract regulations put back into force, as opposed to the contract directives: have the contract regulations been passed through Cabinet, and when will they be tabled in this House?

Hon. Mr. Kimmerly: They have not actually passed through the Cabinet. They will not be tabled in this House but will appear in the *Gazette* in the normal course of events. Discussions have occurred — I may say, lengthy discussions — with the Contractor's Association, which occurred over several lengthy meetings, and the Contractor's Association assured me last week that they are satisfied with the progress and completely understand the delay, in that we are not meeting the target, which was February 28th, but we are expecting to deliberate in Cabinet on exactly this issue in the very near future.

Mr. Lang: It is interesting that when we ask the Minister of Government Services about the very near future, he either stretches it out into a month or it could be three years. Could the Minister inform this House when these regulations will be put into effect, as per the promise and the commitment that was made to this House?

Hon. Mr. Kimmerly: It was not only a promise and a commitment, it was the passage of a motion of this House that we

consider it binding, of course. The only problem I have is that it is not a practice, for a very good reason, to disclose Cabinet agendas, but it will certainly be done this month, that is the month of April.

Question re: Legal Education Committee

Mr. McLachlan: I have a question for the Minister of Justice. It is my understanding that if the Legal Education Society does not exist, then a number of those requests that that association dealt with might end up being channeled through Legal Aid and thus put a strain on that budget.

Does the Minister not have concerns that the work being done by that association might end up on the Legal Aid office and that we will eventually end up with a supplemental budget propping up Legal Aid?

Hon. Mr. Kimmerly: Not specifically, because since the delivery of the service of YPLEA, the Legal Aid budgets have very substantially increased, so it is very unlikely that they are related. However, there is a general relation between legal education and legal service under Legal Aid and, indeed, there is a mandate in the *Legal Services Society Act* for public legal education, at least to some extent. It is a question that I have specifically addressed and discussed personally with one Member of the Board of the Legal Services Society, and is a possible avenue to promote legal education, all of which is an indication of the government's interest in this area.

Mr. McLachlan: If the Minister agrees that the YPLEA has been doing a worthwhile job, why then can he not do more to help the association in simply providing services in kind for equipment, office space and telephone in the amount of \$16,000?

Hon. Mr. Kimmerly: Someone said that politics is the art of the allocation of scarce resources. It is necessary in government to occasionally say no, simply because we are not the apologetic spenders we are occasionally accused of being. The Public Legal Education Association is a good project. It is a project that has been funded on a par here with the major provinces. It is necessary to insert a note of reality into the financial considerations about what 27,000-odd people can afford.

Mr. McLachlan: During the debate on the Human Rights Legislation, the Minister offered to open up his office and explain the complexities of the Legal Aid Program legislation to anybody who chose to visit the office. Will he now make the same offer to those people who have been using the services of the Yukon Legal Education Association?

Hon. Mr. Kimmerly: It sounds like free legal advice, but I must say that I spend, generally, several appointments of my day discussing with citizens areas of general interest in the law. That has been my policy, will continue to be my policy, and I will put as much heart in it as I am able.

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

ORDERS OF THE DAY

Speaker: Motions other than Government Motions?

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Mr. Lang: The House Leaders have reached an agreement on the order of business for this afternoon. Motions 96, 97 and 98 should be called under Motions other than Government Motions, and debate is to be resumed on the second reading of Bill No. 6. This agreement requires the unanimous consent of the House. I would, therefore, request unanimous consent to proceed in this manner.

Speaker: Is there unanimous consent?

All Hon. Members: Agreed.

Speaker: There is unanimous consent. Proceed.

Motion No. 96

Clerk: Item number 2, standing in the name of Mr. Brewster.

Speaker: Is the hon. Member prepared to proceed with item

number 2?

Mr. Brewster: Yes, Mr. Speaker.

Speaker: It has been moved by the hon. Member for Kluane: THAT it is the opinion of this House that the Government of Yukon should name the creek at kilometre post 1574.5 "Annie Ned Creek" in honour of the distinguished Yukon Indian elder Mrs. Annie Ned Boss.

Mr. Brewster: It gives me great pleasure to present this motion to the House. I have been trying for quite some time to work through the government red tape to name this creek in honour of Mrs. Ned. Apparently, you are not supposed to do this. You are supposed to wait until a person is deceased before honouring him or her. I would like to change this system a little bit, and I need the help of this House to do it.

I thought that if this House would approve this motion, perhaps we could make Mrs. Ned an exception to the rule.

Annie Ned is a very exceptional and remarkable person. She was born in Carcross many years ago. I will not mention her age, because many ladies do not like such matters talked about. She is a Southern Tutchone Indian. Her father was Hutshi Jim. Annie was the first married to Paddy Smith, and, after his death, to Johnny Ned. She had seven children. The distinguished Indian elder, Elijah Smith, is one of her children.

Mrs. Ned has lived in various areas of the Yukon: at Champagne, Fifty-two Mile Lake and in the Whitehorse area. She now resides in Whitehorse.

In commending this motion to the House, I must first correct an error. The name Boss should not be included in the motion, and I will be calling upon my colleague, the Member for Porter Creek East, to introduce an appropriate amendment. I apologize for this mistake. It was a slip of the pen.

Before closing, I would just like to read a letter that came to me.

"As per our conversation, I am putting forth the name of Annie Ned for a small creek that crosses the Alaska Highway at kilometre 1534.5. Since I was a little girl, this is the name I had known this creek to be called. My mother says that Annie used to have a camp there and, as she now is an Indian elder, still alive and much respected, her son, Elijah, an Indian elder still alive and much respected. Her son, Elijah was instrumental in initiating the present Yukon Indian land claim.

I also spoke to Mrs. Ned concerning this, and she seemed very pleased that I was going to suggest this for her."

This is signed by Mrs. Pat Delaney.

This should never have had to come to the House. This is another one of those things where you get tied up by bureaucrats. We started on this last July. At that time, they were changing from one place to another — apparently, from the federal government to this government. We called two or three times, and it just continually goes on. This is a thing that we should not have to bring into this House but, apparently, we have to.

Amendment proposed

Mr. Lang: I do not have anything further to add to what the Member for Kluane has said with respect to Mrs. Annie Ned so, therefore, I would move an amendment to the Motion: THAT Motion No. 96 be amended in line 3 by deleting after the word "Mrs. Annie Ned" the word "Boss".

Speaker: It has been moved by the Hon. Member for Whitehorse Porter Creek East: THAT Motion No. 96 be amended in line 3 by deleting after the name "Mrs. Annie Ned" the word "Boss".

Are you prepared for the question?

Amendment agreed to

Mr. Porter: Speaking to the Motion as amended, I would like to first of all confirm the Member for Kluane's statements with respect to the question of responsibility for naming lakes, geographical areas, rivers and mountains in the Yukon. The responsibility rests with the federal government and that responsibility has been transferred to the Yukon government.

There is a policy that has existed for quite some time in the

program, that you normally do not name a specific geographic area like a river, creek or mountain after someone who is alive. I would like to reassure the Member that he is going to get support from me and this side of the House on the Motion he has put forward today.

During his speech on the Motion, the Member for Kluane stated that he would be reluctant to name the age of Annie Ned, but I think it is safe to say that she has seen a century of life. As a matter of fact, she remembers meeting Jack Dalton in the Yukon when she was a child, so that gives an indication of how much of life she has seen.

The Member very clearly illustrated the importance of Annie Ned to not only the aboriginal community, but the entire Yukon community. She does convey and represent an awful lot of history in the Yukon.

In terms of the specific place she holds in the aboriginal community, it is one of respect, one that is privileged in the aboriginal community, and she certainly is regarded by all members of the aboriginal community as one of the elder statespeople who we have. Her advice is sought in many occasions.

In many of the assemblies that are held by the CYI, she is, at times, the most outspoken of the people at those assemblies, and generally gets the elders fired up into giving advice to the younger people who, in many instances, are charged with the day-to-day operation of the institutions of governing the society.

The creek that is contained in the Motion apparently has been called Annie Ned Creek for quite some time, and I understand that the water is very good and very clear. It is an appropriate location, and we would all like to commend the Member for bringing this Motion forward. We will be supporting the Motion wholeheartedly.

Hon. Mrs. Joe: I just wanted to rise in support of this motion. I would like to thank the Member for Kluane for bringing it forward. I have known this woman for number of years — probably not as long as the Member for Kluane, because I have not lived here as long, but I have grown to respect her. I have seen her in many areas of participation in many things.

We have a number of places that are known by people who participated and did things there in the past, and they go back a number of years. I think that it is quite fitting that this creek should be named while the individual is still alive.

I cannot really express anything more than what has already been expressed here in regard to how we all feel about Annie Ned. There were a number of other women of the Yukon who have contributed, but I think that this woman has really done so much that I think we should not only have a creek named after her but some day have a written history of her.

Mr. McLachlan: I just want to rise briefly to add two small points to what has been said by the previous speakers. I had the occasion to meet this wonderful lady a few months ago, and I wholeheartedly endorse everything that has been said about her.

Further, money has been allocated for the making of a short documentary film about the lives of three Indian elder women in the territory, one of which is Mrs. Annie Ned, so that long after politicians in this Legislature are gone, and long after many others remember her great works, at least part of her life story will have been committed to the medium of film.

Motion No. 96 agreed to

Motion No. 97

Clerk: Item number three, standing in the name of Mrs. Firth.

Speaker: Is the hon. Member prepared to proceed with item three?

Mrs. Firth: Yes, Mr. Speaker.

Speaker: It has been moved by the hon. Member for Whitehorse Riverdale South

THAT it is the opinion of this House that the Government of Yukon, through the Department of Education, should initiate a "Training Program" in partnership with the business community; and

THAT this should offer a variety of training opportunities which will provide direct, on-the-job training for secondary and post secondary students seeking working experience during their course

of study.

Mrs. Firth: I bring this motion forward today in a non-controversial manner and in a manner of making some positive recommendations to the government. I am offering some positive alternatives.

I want to identify it in the sense of a couple of programs that already exist, particularly within the business community, that perhaps need some moral support and some encouragement from the government. I am not bringing this motion forward in the context of asking for government funding or government assistance to encourage this kind of program.

When I went through the programs that are already offered in the Department of Education — programs like the Summer Student Career Development, the Youth Venture Capital Program, Canada-Yukon Summer Program, the Computer Camp, Employment and Training Program, Government In-House Apprentice Training, Apprentice Incentive and so on. I know the government has many programs that encourage the participation — I found that there seemed to be an absence of consultation with the business community. I think, today, the business community is definitely taking a more active interest in the education system and what the education system is providing to the youths and what kind of quality of education young people are receiving.

The Conservative Party presented a policy paper on youth at their last convention. When we were having discussions with active youths who participated in the process, we found that it always came back to education, when we talked about youth unemployment and some of the difficulties that youth were having and shortfalls within the system, that it came back to the original education system. There was a very specific direction given to the party that more business involvement, more involvement with the private sector be pursued and encouraged. The government, through the Department of Education — which is responsible for educating the youth of the Yukon — have an active role that they can play in seeing that education is definitely enhanced and in an advisory capacity, since there is a tremendous review that is going to go on anyway. They could give the government and the Department of Education some direction as to which areas they should pursue.

Of particular interest to me is the problem of dropouts. I know it has always been a concern of the Members opposite. I do not know what the dropout rate in the Yukon is now. I do not know if the Minister of Education does. It would not be through his own fault, because it is a very difficult figure to arrive at, in the sense of a percentage or numbers. There are always other factors that affect the dropout rate. There have been some identifications made.

In some of the strategies that other areas have been using to compensate for that dropout rate has been in conjunction and consultation with the private sector and with the business community. I refer specifically to some businesses and corporations who have developed cooperative partnerships with departments of education in other parts of the country.

The core of the partnership is an alternative occupational training component. It can offer various kinds of programs and curricula that can be related to the work experience. The program can include academic instruction on a regular high school campus, with training for entry level positions in high technology fields, and so on. The program blends five components, which are academic study, occupational training, counselling, pre-employment experience and physical education. Some of those components are not unlike some of the components of the government's existing equivalency education program, which includes work experience when the individuals who are participating have achieved certain levels.

The main point I want to make is to encourage the government to offer some moral support and some assistance to the business community in terms of seeking their advice and their input, and consulting with them to see if they have some comments to make about the quality of education that the students in the Yukon are receiving and if they feel that we are endangering the supply of adequately educated young people today.

I am not saying that the businesses are going to have all the answers and the private sector is going to have all the answers, but I

do not think the Department of Education and the government have all the answers either. I think that if we all work together, it would be to all of our benefit.

I am talking in terms of allowing access into the schools and encouraging access to the schools for programs like the Rotarian Exchange Program where students are sent to different countries and, particularly, the Junior Achievement Program that is put on through the Chamber of Commerce. I know the Junior Achievement Program needs some support and assistance and encouragement right now. I would like to see the government pursue some kind of identification within the Department of Education that says we will have an avenue for business and the private sector to be consulted when we are determining the future direction of education for Yukon young people.

Hon. Mr. McDonald: I thank the Member for her remarks that she has made in support of the motion that she has placed on the Order Paper. I must admit that I am in a bit of a quandary at the present time. The motion, as it was worded, seems to suggest that it was time for the Yukon government to embark on an entirely new direction and initiate something that had not happened in the past. I have prepared an amendment to address that particular aspect of the motion, but I take the Member's comments and approach to be non-combative and to request that the Yukon government show significant moral support to the business sector in developing a better relationship with the private sector to enhance not only training programs, but the communication between the aspirations or expectations of the private sector and that of not only the public school system, but the post-secondary education system in the territory, both through the college and through the manpower and training programs that the government operates.

That is an approach that has been in effect for as long as I have been in this Legislature. I would like to be able to take the opportunity to state how we have enhanced that direction in the last couple of years during the time I have been responsible for the department's activities to this Legislature.

The Member mentioned that there were a number of programs that are in place currently that do speak to a relationship that is ongoing between the private sector and the government. Usually, in the past, it has been a financial relationship. It is a relationship that sees training funds go to the private sector to encourage the private sector to train persons, primarily unemployed and under-employed persons, to enhance their job skills and to do a service to the entire community.

¹⁹ Clearly there have been a number of other initiatives, which have been taken at the federal and territorial level to meet changing market conditions as technologies and work practices falter in the course of events in our economy. Training programs have been specifically directed to address the need for training in those avenues.

Clearly, the old catch 22 line about students and the ability to get work experience is something that certainly this government has attempted to address with some vigour in the last few years. I would like to think we are making good headway, given our resources, in those areas.

The Member did mention that there had been a lack of consultation with the business community in the development of programs. I presume the Member meant that the development of the relationship between the business community and the government could be enhanced beyond what is currently a practice, because I am sure she knows there are ongoing advisory committees with respect to that which the Yukon College provides, the apprenticeship program and the Post Secondary Advisory Council, which has a number of business representatives on the council. They have been meeting more regularly than ever before given the heavy agenda that the government has set for the revamping of the educational system in the territory.

As well, there was the very significant initiative, one which I spent a good deal of my time in preparing and informing the House about over the course of the past year, the Yukon Training Strategy. A number of persons were consulted during that period to determine what relationships the government could develop or enhance with

the private sector, and with all groups of the community, to make use of what ultimately are limited or finite resources, to meet the training needs of our communities. Clearly that very extensive consultative phase in the development of the training strategy produced ultimately a paper that was tabled in the House that spoke to the thrusts that should be taken by the government to enhance training opportunities, and on-the-job training opportunities as well, for our community.

There was definitely a desire to move from the old traditional make-work program to some training programs that produced a trained or perhaps even certified graduate at the end of the program. We have attempted, given the character of our economy, to move from the make work programs to the real training programs. That is the character of the evolution of our economy as it changes from year to year. That is also ultimately the public's view, in my view, after having consulted widely in Yukon on the training strategy.

²⁰ The training strategy spoke to a number of initiatives that should be undertaken, and I would hope to be able to address those in some detail during the O&M budget estimates. In some of those cases, I think there are financial implications. There are also initiatives that were suggested should be taken, and ones that we are acting upon now, that speak to the relationship that the Member for Riverdale South speaks of. I am speaking to the issue of college governments and the institution of institutes within that college to give the private sector a special voice in the development and operation of our training institutes and our college system.

The terms of reference for those institutes are being worked on now and the development of the college government system is being worked upon as we speak. I would hope, on behalf of all Members, that I could table an Act that would speak to college governments in the fall of this year. I think that that initiative, in and of itself, speaks to a need for a greater involvement by the public and also the private sector — the financial sector — in helping to determine how training programs and finite training funds are allocated. As the Member mentions, there is more to the relationship between the government and the private sector than simply the financial mechanisms. There is the moral support, the recognition of the Rotarian exchange and the junior achievement program.

As a matter of policy, I suppose, it has been my desire to see as much of the outside world break in on the public school system as possible. That would include representation by the private sector, involvement by the private sector, by business, by clubs and by societies. If the message is positive, if the message will enhance the growth of our children, then it would be our desire to encourage communication between the private sector, the public and the public school system.

I would say that, despite the fact that I think that enhancements have been made to encourage better communication between the public generally and the education system operated by this government, there has to always be room for improvement and room for change, because the economy evolves and the system has to react to the economic environment and has to react to the social environment. If it does not, it becomes archaic, rigid, and ultimately acquires a note of uselessness in our community. It certainly becomes a candidate for a serious and significant review.

We have to institutionally develop mechanisms whereby the change is not only effective, efficient, and meets our needs, but can be done so institutionally, without having the whole system uprooted every time we review it.

²¹ With respect to some of the issues that we have taken I would just like to say in summary that the Equivalency Education Program is one program that I feel very happy about. It has been a very successful program; it provides work experience at the public school level and I think it is absolutely critical for students who have had some trouble getting through the public school system and who need to feel a sense of purpose in their lives, and who still require the education experience that will help them when they become adults. So certainly the work experience that is provided to them not only gives them needed experience as they step into the private sector, it also gives them a sense of confidence to step into the private sector or into the work world — a kind of confidence that I think is absolutely necessary for their growth.

The Yukon College, of course, offers concurrent programs. I believe I announced for the first time last year the concurrent academic carpentry upgrading program, which combines work experience with academic training, and makes the academic training seem less mystical and less intimidating to the student, while at the same time providing that student with on the job work experience. Certainly, I would think that while it does not actually provide for work placements at the present time — I think that is something that we might move into — it does provide useful job related skills, which would be considered mostly necessary in later endeavours. The training strategy did mention that there would be an initiative, entitled the Yukon Training Opportunities Program, which is an attempt to provide unemployed persons with real work experience, and it can place students with the Government, but it can also, like the in-house Apprenticeship Training Program — which was perhaps one of the most successful programs the government has ever initiated — provide that person with work experience in the private sector as well as giving them a broad understanding of what the particular job requires, both in government environment and also in private sector environment. That, like the in-house Apprenticeship Training Program, has proven to be extremely popular in both the public and private sectors. At least as far as the in-house Apprenticeship Training Program is concerned, it produces graduates with certifiable skills that they can carry to anywhere in this country.

The Apprentice Incentive Marketing program was initiated last year to encourage the private sector to take on apprentices. It has proven to be moderately successful and with some clarification of the program guidelines I think it can be more successful.

There are some pre-employment training programs as well, primarily in the trades and business programs at the college, that include as part of the program several weeks of job placements. I would think that, too, enhances much of what has been said already with respect to a relationship between the Government and the private sector.

²² The Member has already mentioned the joint Canada-Yukon employment programs, which require, not only by definition, a relationship between Canada and the Yukon in meeting training needs of our community, but also require that a relationship is developed with the private sector, so that the programming can be done jointly.

The one aspect of a training strategy of which I am particularly proud is that there is an inherent understanding throughout that we have to make use of our scarce resources in our whole community. This means that, in order to meet training requirements in both the private sector and public sector, that we use whatever facilities we have, whatever resources we have, both in the private and public sector to enhance training needs in our community. It means that, for example, if the private sector employer requires some training to be done, then perhaps there is a role for government to play in coordinating that training so that other persons in the private sector and public sector can take advantage of certain initiatives. It means that there will be a shared use of facilities, whatever facilities make the most sense, whether it is private sector facilities or public sector facilities. We have to use what we have so that we do not build in unwarranted costs and ongoing costs to all of us, whether it be private or public sector.

The government has also undertaken to review the Student Financial Assistance Program to encourage students to take advantage of training. I would just caution Members that any endeavour in this field has proven it can ultimately be very costly, and we have to be assured that the benefits that we receive from enhancing the Student Financial Assistance area are significant enough to justify the redirection of training resources elsewhere.

Ultimately, the government agrees with the intent of the Member's motion, as stated verbally. I am only concerned that the way the wording is placed on the Order Paper at the present time would leave one to believe that, as of April 1, 1987, the government is going to develop a relationship with the private sector and develop a training program that would encourage the private and public sectors to work together to meet training needs of our entire community. Given all the work so many people have

done in the territory, both in the development of the training strategy and, now, the development of the *Education Act*, I do not believe that that would be the kind of message the Legislature should leave with those people. They put a lot of time, effort, energy, sweat into developing that kind of relationship and to improving upon it. For that reason, I think it would be necessary to recognize the reference. For that reason, I would like to introduce an amendment.

Amendment proposed

Hon. Mr. McDonald: THAT Motion No. 97 be amended by deleting all the words after the expression "Department of Education" and substituting for them the following:

"should continue in partnership with the business community to develop and improve training programs that provide direct on-the-job training for secondary and post-secondary students seeking work experience during their course of study."

²³ **Speaker:** It has been moved by the Minister of Education that Motion No. 97 be amended by deleting all the words after the expression "Department of Education" and substituting for them the following "should continue in partnership with the business community to develop and improve training programs which provide direct on-the-job training for secondary and post-secondary students seeking work experience during the course of study."

Hon. Mr. McDonald: I would like to reiterate one last time that in recognition of the significant efforts that have been put forward by many people who have been associated with the development of training strategy, who are participating in the development of the *Education Act*, who have sat many long hours in the past on various advisory bodies to the government, who have participated with vigour at the Yukon 2000 conferences, where training has been habitually a subject of discussion, that in recognition of their efforts and the continued commitment from this government to enhance the relationship with the private sector and with the community as a whole, it is important we do alter the wording of the Motion ever so slightly so as to incorporate that sentiment — the sentiment that the relationship has existed, and should continue to exist, and should always be improved on because there is no system that will last forever. There is no relationship that is so solid, so inherently correct that it cannot be improved upon as conditions in our community and the environment of the community changes. Rigid systems never work. Pliant systems that can react efficiently to changing conditions are systems that do work. I would say for that reason that the wording of the Motion has been carefully prepared so that one is not left with the suggestion that the system, as it stands right now, is the be all and end all of the relationship between government and the private sector in the area of training or anything else.

There is definitely the recommendation that the systems can be improved, but the commitment from this government, I believe from the previous government and from the many people that have been involved in joint advisory bodies and in the initiatives we have mentioned in this House, that that commitment is recognized as well.

Mrs. Firth: Not wanting to disagree with the whole amendment so that the whole Motion is defeated, I do have to rise and say that I am talking about a new kind of initiative. I have listened very closely to what the Minister has said, and I have listened to him talk about the programs, and I think he has put his finger right on what the problem has been. The problem has been this: as government and as politicians, we talk about enhancing government programs, enhancing existing programs, bringing in new programs, but very seldom do we go to the private sector or to business and ask, "What do you think about this, and what is your opinion, and do you think we are assisting, or do you think this is necessary?"

This is something we do unconsciously; we do not intentionally try to keep the business community out, although I know there are people with the attitude of what business does business have in the schools.

²⁴ They object to the thought of the private sector coming into the

schools and businesses coming into schools. I am talking about a new relationship with the private sector, in which they are being consulted more actively, not just being used as a facilitator or someone who is apprenticing apprentices and receiving financial assistance. I am talking about a much closer relationship, as opposed to one that is functional or technical and one that is a facilitator.

By the motion, I do not think I am giving any indication that there has not been a partnership of some kind. What I am saying is that I think it is time that we could try something new and creative and interesting and exciting for education in the Yukon, and that is to have more input and a much more active relationship between business and the private sector. I do not think that the Minister of Education would disagree with what I am saying about hands-on experience for young people. I recognize that it is done in the trades area more than in any other academic areas. Maybe it is time that we had students going out and having some hands-on experience within the communities in other areas that they are pursuing in education.

In a sense, I am not criticizing the department for what they have been doing, or for not recognizing there has been a partnership there in not mentioning it, but I am saying let us try something new and interesting.

When the training strategy paper was developed, I went through it. I did not really find a lot of specifics as to what the particular concern is that I am raising today. I wanted to bring it forward as an enhancement to the training strategy paper and encourage the government to look at the programs that they have in place — particularly ones that could deal with the private sector, like the Venture Capital Program — that could work in cooperation with the Junior Achievement Program. Maybe the Rotary would be interested in that kind of a program, also.

Many times, I think we just take for granted that because we have some kind of working relationship with the business community and the private sector that their opinions are being asked. That is not always the case. Many times, you would find that their opinions are not being asked, and we are just going through the motions and taking things for granted.

I recognize the Minister's intention with his amendment. I am prepared to accept the amendment, unless the Minister is prepared, after the discussion, to accept the original motion.

Amendment agreed to

Speaker: Is there any further debate on the motion as amended?

Mr. Nordling: I will be fairly brief. I only have a couple of points that I wish to make. As the Minister mentioned, the government has published a policy brochure, entitled "Yukon Training Strategy". One of the first lines in that brochure reads, "Training is an important part of the economic and social growth of regions."

I wholeheartedly agree with this statement, and I think this is an area we should be concentrating on in building the Yukon's future.

I would like to make two points. Firstly, I believe that training programs should be developed in conjunction and in partnership with the business community, as my colleague from Riverdale South has said, in a new type of relationship with the business community rather than just asking for their advice.

Secondly, I would encourage such a program to include vocational-type training at the high school level, whereby high school students would have the opportunity to begin apprenticeship programs that they can carry on after leaving high school. In this way, a young person who was so inclined could have a trade several years earlier than may otherwise be possible.

There has been an amendment to the Motion, which has been passed. I am sure the Motion, as amended, will be passed unanimously. I am prepared to support it in the form that it is. I support it as positive direction to government.

Further, I believe that if the government would develop a training program in partnership with the business community, for example, with respect to the hospitality industry, that our new Yukon College could become well known across Canada, and indeed, in Alaska, for its program. Such a program would be of tremendous benefit to

Yukon students as well as the tourism industry.

I say that because the Minister expressed concern about the benefits received from instituting training programs. I would submit that if the government instituted such a training program in the hospitality industry at Yukon College, that the benefits would be very evident and the Yukon as a whole would see tremendous advancement in education and in tourism. I will support the Motion as amended.

Motion No. 97 agreed to

Motion No. 98

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

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

Mr. McLachlan: Yes, Mr. Speaker.

Speaker: It has been moved by the hon. Member for Faro

THAT it is the opinion of this House that the Government of Yukon should appoint a territorial agent in all Yukon communities that do not already have one in place.

Mr. McLachlan: The intent of this Motion is again an age-old controversial issue within the territory, and the subject of debate very frequently in this Legislature. The services provided to outlying communities when those services, in the opinion of many, can be diversified and do not have to be centralized in Whitehorse.

It has been brought to my attention by many people in outlying communities that they feel they are not being currently served by a Territorial Agent in the fashion that they feel they should be.

Often this is inconvenient. I have heard many times from Members on this side of the House that their concern is that the people of the Yukon are not being kept informed of the activities of the government. I have heard assurances from the government side of the House that they are informing Yukoners of their activities.

How is information that has been generated at the level here in the capital city being disseminated to communities presently without a territorial agent? Could it not be better achieved by the appointment of an agent in all outlying communities?

As well, the information service that the territorial agents provide, many government services to the rural Yukoners, not only through liquor stores in their communities, would also be part of the development of the territory. I see having a territorial agent in a number of those communities would be a positive step in this direction. Currently, there are agents in Faro, Watson Lake, Haines Junction, Dawson City and Mayo. There are no services offered other than a mobile licence plate bureau for Beaver Creek, Ross River, Burwash Landing, Old Crow, Elsa, Pelly Crossing, Carmacks, Teslin and Carcross.

If it is financially difficult for the government to be able to provide services on a full-time basis, I see no reason why services could not be provided on a part-time basis through the village offices in a number of cases. We have often talked about this situation before, but very little action has been forthcoming on the part of the government.

During budget debates for both Capital and Operating and Maintenance, we have often talked about dissemination of information through the use of computerization. As this method of technology becomes more and more prevalent and more and more easy to disseminate to the communities, it will be a worthwhile exercise to see what government services can offer for the provision of press releases, job openings, that sort of material that, often, people in rural Yukon feel they are not being given full opportunity toward.

It is with these concerns that I have brought forward this Motion today for discussion by the Legislature, and to assess government reaction as to how they are prepared to increase services in rural Yukon.

Hon. Mr. Kimmerly: I thank the Member for Faro for bringing forward this Motion. I will be proposing an amendment in due course, which I am sure he will consider to be a friendly amendment. He clearly said in his speech that the intent of the Motion was to draw attention to services in communities. The

wording of the Motion is slightly problematic, in that it may lead people to expect, if we passed it in its present form, that we would hire a person or appoint a person who is a territorial agent in some of the smaller communities, and that is not the government's intention, although it has been seriously looked at.

The Member for Faro stated that no services were available in communities where there is no agent. That is not the case, and I will give some specific information about that.

What we are practically talking about here, as far as we see it, is as follows, and I will divide it by the responsibilities that are reasonable under the various departments of government.

²⁷ Under the Department of Renewable Resources, the relevant issues and fishing licenses, hunting licenses, seal receipts and export permits. The department has branch offices in all rural communities providing full service. As well, there are liquor stores, except for the communities of Pelly Crossing, Beaver Creek, Carcross and Carmacks. In these communities, fishing and hunting licenses can be obtained from either RCMP or private business.

Fishing licenses and campground permits can also be obtained from private merchants and a small fee is paid to the vendor. It is not proposed to interfere with those programs.

In the Department of Community and Transportation Services, the issues are vehicle licences, change in ownership, renewal of licences, drivers' licences and decals for vehicles. The current services are that the Department conducts an annual visit to all communities with the exception of Old Crow. This occurs in February and March and facilitates the renewing of licences, and all transactions, with the exception of driver licence testing, can be done by mail.

In the Department of Justice, containing the branch of Consumer and Corporate Affairs, we are primarily interested in business licences, and these are normally renewed and granted by mail both in Whitehorse and outside of Whitehorse, but they are also available in communities serviced by liquor stores, although that service is not utilized to any great extent; it is generally done by mail, as I have said.

In the Department of Government Services, the important consideration is for contract administration to provide for tenders and the receipt of bids for government work. This is all handled through Whitehorse by mail and by the liquor stores. The vast majority of bidders are from Whitehorse; however, frequently the rural contractors deal through the liquor stores and perhaps more frequently come into Whitehorse to do their business in this respect.

We are studying more particularly this process in order to make it more accessible to the rural areas although there is a constraint about the speed at which this occurs in that it is especially in the contractor's interest that the bids are opened very expeditiously. We are not eager to change the service in such a way that it would increase the time, and that is a consideration.

²⁸ Under the Department of Health and Human Resources, Vital Statistics, primarily marriage certificates, some birth certificates and burial certificates are relevant. They are handled now through Whitehorse, occasionally the liquor stores, and through the health nurse in Old Crow.

We have looked at the communities in the Yukon in an effort to assess what services should be provided. It is useful to note that, as of December last, the population of persons who are 19 years of age and over in the following communities: Carcross, approximately 200; Carmacks, approximately 246; Old Crow, 153; Ross River, 226; and Teslin, 255. It is those communities that do not have a government liquor store that would be primarily looked at, although it is necessary and important to look at the services I outlined a moment ago to every community or settlement however it is defined.

The ways this can be done are many. The decision was made — I am not sure exactly why — a good number of years ago to combine the liquor stores with the territorial agent function. It is not necessarily compatible in that, for some of these services, it may be better for the community to do it elsewhere than the liquor store. For example, I do not know why you should have to go to a liquor store to get a marriage certificate or a burial certificate, or something like that. The distribution of hunting and fishing

licences, through the private and commercial outlets, is so successful that that kind of distribution should be enhanced, rather than anything else.

The legislation was made many years ago to use the liquor store vendors to perform these services. Before that occurred, it is my understanding that many of these services were available through RCMP members in rural communities. It may be appropriate, especially in the larger communities, to rethink that policy and to provide services in other ways. However, the more immediate problem is exactly as the Member for Faro said in his speech, that some communities feel that they do not get information as well as residents of Whitehorse, and the service is somewhat less.

It is not practical. We have roughly costed it, to put territorial agents in all communities, but it would not be economic or practical.

²⁹ The most practical consideration is to deal with the situation on a community-by-community basis. For example, in Beaver Creek, I know the point of dissemination of information is at the Post Office, and it would serve that community well if information were placed in conjunction with the Post Office, which may be possible.

In Teslin and Carmacks, as an example or alternative, the Municipal Offices may be particularly appropriate for some territorial business. We are looking at the possibility, through a contractual arrangement with the municipality, of providing these services at the municipal office which has a permanent staff. The office is open during business hours, and it seems reasonable and appropriate in those communities. Possibly some communities that have a liquor store as well, but Teslin and Carmacks would be the logical communities, which do not have a liquor store, to look at the question of a contract with the municipality.

It is also probably appropriate in communities that do not have a municipal office and do not have a liquor store, that the Highways office could look after vehicle licences, for example. It is certainly appropriate that where there is a territorial government employee in a community that that employee act at least as a conduit or as a messenger to Whitehorse for citizens of the community.

All of those things are being looked at on a community-by-community basis. It is not a vague promise that we are giving here; we are committed to improving the services to all communities in a practical way, and that will probably be done differently in the different communities for the practical reasons that I have outlined. We will certainly be discussing with municipalities and Band Councils the appropriate things to do in each community. We are continuing to make available on an even more timely basis, especially fishing and hunting licences, drivers' licences, licence plates, business licences, government tender documents, marriage certificates and death certificates.

Because I said earlier the wording of the Motion is potentially misleading to some, I would move an amendment.

Amendment proposed

Hon. Mr. Kimmerly: THAT Motion No. 98 be amended by deleting all the words after the word "should" and substituting for them the following: "supply Territorial Agent services in all Yukon communities."

³⁰ **Speaker:** It has been moved by the Minister of Justice THAT Motion No. 98 be amended by deleting all the words after the word "should" and substituting for them the following: "supply territorial agent services in all Yukon communities."

Mr. McLachlan: I realize that it may be difficult to supply a territorial agent in a number of the communities where population may be 75 or fewer people. I have no problem with the amendment that the Minister of Government Services has put forward for this motion under debate.

Amendment agreed to

Speaker: Is there any further debate on the motion as amended?

Mr. Phillips: We will be supporting the amended motion, but I would like to make just a couple of comments about what the Minister had to say today. I found it unusual, to say the least, that one of the communities that the Minister did not mention, and one

of the communities that has asked, by town resolution, to have an official agent in the community is Watson Lake. It is a community that is growing and has a lot of government funding being put into it to build. I think there have been some real problems created with the liquor store acting as the agent in the town, and the fact that on Mondays, a normal business day, the people cannot get licences. I would hope that the Minister and the government would consider very strongly the recommendations from the town of Watson Lake that they get a separate office for an official agent. They are one of the second largest communities in the territory.

Mr. Brewster: I would like to get a few things correct for the record. Beaver Creek was mentioned. Burwash and Destruction Bay were never mentioned. It was mentioned that the post office handles these. For the information of this mighty big city of Whitehorse and everybody in it, they get mail exactly twice a week. It arrives Monday. Two hours later, the thing is shut down completely and everyone is gone. They have two-and-a-half hours to get their mail, write their letters, look at all these nice propaganda things the government gives and get back to the post office. It is not acceptable.

Motion No. 98 agreed to as amended

Speaker: Government Bills?

GOVERNMENT BILLS

Clerk: Bill No. 6, adjourned debate, Mr. Phelps.

Bill No. 6: Second Reading

Mr. Phelps: I am pleased to respond to the Government Leader's second reading speech regarding the Operation and Maintenance Budget for the fiscal year 1987-88.

In his speech, the Government Leader spoke about the economic recovery in Yukon, and he stated, "by any statistical indicator, the Yukon has recovered from the recent recession." Well, I am concerned about the direction our economy has taken in the past two years. I feel that we are experiencing a false economy in the Yukon and that the recovery is due, very simply and mainly, to the huge growth in government spending. Never before have we seen such spending. And never before has government been so all-pervasive in the daily lives of Yukoners.

The economy of Yukon is more dependant on government spending than it was during the late seventies, and it is interesting to compare this present economy with that of 1980. In 1980-81, the transfer payments from Ottawa totalled 52.2 million dollars. This year, the transfer will be \$165 million. In 1980-81 the total budget was estimated at \$118 million. This year, the total budget is estimated at \$291 million.

It is alarming to see government spending almost entirely responsible for the present economy. The government is growing, and all indicators are that the growth will continue. Page ten of the budget shows that the estimated person years for this fiscal year is up over 100 person years from last year's estimates. That does not include the casual employees, the contract employees, the consultants and the person years allocated to the capital budget. Look at the huge increase in government building space depicted on page 143 of this budget. In 1985 the government owned 13,307 square metres of building space and leased an additional 8,701 square metres, for a total of approximately 22,000 square metres. This year, it was estimated that the government will own 27,494 square metres, and lease 12,800 square metres, for a total exceeding 40,000 square metres. And the consultant's report released last year indicates that a lot more office space will be needed in future years. This government wants to grow and grow and grow. Make no mistake about that.

I have said that this is a false economy. Let me explain. The upturn is due very largely to the huge increase in government spending. In 1985 we, the previous administration, that is, negotiated the Formula Financing Agreement with Ottawa. It was, and is, an extremely rich deal that was structured to give Yukon government a lot of money for infrastructure. It is because of

formula financing, the Capital Budget Estimates increased from \$46 million in 1984/85 to an estimate of \$114 million in 1987/88. The O&M Budget has increased from \$148.2 million in 1984/85 to an estimated \$176.7 million for this year.

When a government spends \$291 million, it does create jobs, but government does not create wealth, the private sector does. The government builds office buildings, curling rinks, low-cost housing and short-term jobs are created. That kind of infrastructure results in additional operation and maintenance expenses. That kind of spending is debt creation, not wealth creation.

That is the basic concern. We are not seeing nearly enough wealth-creating industry in the Yukon. This government's money is being spent on social programs and expensive facilities. Very little of the \$291 million is being spent on creating the necessary climate to attract industry here.

Social programs and expensive facilities are important to our quality of life, but the balance has to be more prudent. More should be spent on facilitating private industry now because private enterprise industry creates wealth, and as industry develops we will be more able to afford more of the other things.

We have a \$291 million budget with only a couple of million dollars for Roads to Resources, and a total capital expenditure of \$12.6 million for Economic Development: Mines and Small Business, of which over \$5 million is for Policy, Planning and Research.

This government has been spending lots of money. It has been spending megabucks. All kinds of buildings are going up, and the contractors are happy. What are we creating? The airplanes are filled with consultants who are flying up here to grab as much money as they can from this government. There is a building boom in Whitehorse. Almost all the new office space is either government or government related. Engineering firms are moving in. Architectural firms are moving in. Consultants are moving here in droves.

When I go south I continuously bump into people who are either consulting for this government or trying to find out how to get a consulting contract. The word is out that there are easy bucks to be made from the Government of the Yukon.

When the economy was growing in the 1970's, it was not like this. When you got on an airplane, there were business people, but many, if not most, were coming to Yukon to work in the mining industry and tourist industry. The economic climate was quite different.

Yukon is developing into a welfare region, with little in the way of any industry, but almost entirely dependent on the dole from Ottawa. The government looms large in this economy. It is almost sad to see a climate in which no one considers going into business without first trotting over to the government to find out what kind of grants are available. Everybody needs a grant. People are obtaining grants, creating a business and selling out as quickly as they can. The people you talk to on the street are saying, "You know it cannot last forever. Grab the money and run."

The plight of this government and of Yukon is illustrated very clearly on page 23 of the Government Leader's speech. In our position, that is to say, Yukon's position, it is contrasted starkly with the rest of Canada on that page. Seventy point one percent of our revenues come from the federal transfers. In the rest of Canada, the average is only 21 percent. This government obtains 8.7 percent of its revenues from income taxes. In the other provinces and territory, the average is 32.6 percent. The graph clearly underlines the problem. We are presently a welfare state. Time is running out because the three-year formula financing agreement is running out.

Can we really expect Ottawa to continuously pour money in here, particularly when we are spending our money, not on creating a healthy business climate, but on fancy new curling rinks, and fancy new office buildings, and things that appeal to the voters. Other parts of Canada are in dire straits — Newfoundland, for example, with unemployment soaring. Can the Government of Canada continue to justify pouring money in here, treating us in a manner that clearly contrasts with the manner in which the Maritime Provinces are treated? We could hope the huge sums of money will continue to come from the federal government, but we cannot

depend on it.

We cannot depend on it if we are not creating a climate that will foster wealth-creating industries. What I am saying is that this government should have been spending far more on the sort of infrastructure that will attract industry and less on vote-getting frills; more on resource roads, much more on economic development programs, low interest loans to which all Yukoners have equal access, rather than grants, more programs to encourage mining and exploration in Yukon.

The provision of cheap electrical energy is a top priority of mine. It ought to have been to this government. We started the process that resulted in a very recent devolution of NCPG. I remember the reluctance with which this new government got involved. Their enthusiasm grew only when they saw the voter appeal of the devolution. They have not done nearly enough. Affordable electrical energy simply has not been a top priority of this government. We have not spent sufficient time, effort and money on this important aspect of our infrastructure. They have been too busy with their social programs and fancy structures.

Then there is Yukon's north. We struggled hard to preserve our jurisdiction on Yukon's North Slope. This was partly to ensure that Yukoners could share in the wealth lying under the Beaufort Sea. This government has largely ignored the potential up there. Although oil is down in price right now, there is little doubt that in 10 years or so the Beaufort Sea will be booming. We should be encouraging the development of a port on the North Slope of Yukon so that Yukon will be ensured in the sharing of the huge economic potential of the area. Development can take place under environmentally safe conditions. Why is this government ignoring this potential and discouraging development in our north?

Another area that has received short shrift is our agriculture industry. People are clamouring for agricultural land, but almost none has been forthcoming. The provision of such land should have been and should continue to be a priority of this government. It has not. Instead the government has tried to cover its backside by not striving to make agricultural land available, but by attempting to downplay the results of the previous administration. That is sad.

This government is not in opposition. They can no longer try to justify their existence by going back in history to the Pearson administration. This government has been in power for almost two years. They have got to stand on the record they have achieved. That record is not great. A huge amount of money has been spent. A lot of short-term jobs have been created. We live in a false economy. Now more than ever we are dependent upon hand-outs in the form of transfer payments from Ottawa.

It is time this government put more effort into attracting new industry and fostering the viable private sector for business, not government, as the engine of a healthy and viable economy. Time is running out.

Mr. McLachlan: On first perusal of the Government Leader's budgetary address, it becomes apparent that the government is using the budget process as a public-relations exercise — more flag waving and drum beating by the governing power than a major budget direction. Budgets are intended to give new directions and some indication to the general public as to their expectations of government. The Government Leader has said in the area of the Yukon 2000 Conference, "Call me next fall, we will be ready then — maybe."

We have run into timetabling difficulties and have shoved backwards major work that the territory expected this spring. The Government Leader has abrogated the responsibility of a Throne Speech. It is incumbent upon government to provide that information in direction for the taxpayers of the Yukon.

This Budget is a potpourri of promises and problems. The good is thrown in with the bad, and the whole mixture is stirred up, and the Minister of Finance then hopes that the resulting brew will satisfy Yukoners.

It will not. The government has kept spending increases down to three percent. That appears to be commendable in itself, simply because it is less than the rate of inflation. There are no major tax increases in the Budget, but let us not confuse the motive behind this. There is soon to be a major political event occurring in the

territory, and the government of the day is playing its cards carefully and close to its heart. It does not want to be seen as a villain of increased tax expenditures at this time.

The Minister of Justice has often had problems drawing up his budget and deciding priorities, as we have seen today. The Government Leader has said he wants to improve the quality and level of public service. The Minister of Justice has determined to cut the level of that service. He is budgeting \$6.5 million to police the territory and zip to inform the people about the law of the territory.

The government must increase the flow money into those industries that will show a definite payback. I have referred in earlier debate to programs such as the Prospectors Assistance Program, which can easily be determined as core funding for the mining industry. There is enough money to whet the appetite, but not enough to complete the job. The economy of rural Yukon must be strengthened. Reference has been made in the Budget Address to \$40 million in building permits for the City of Whitehorse. The Budget is silent on building permits outside Whitehorse.

When money is spent, it is often spent in the wrong places on the wrong items. I have said before that the Department of Community and Transportation Services does not yet have a firm handle on the maintenance costs, for example, of the concentrate haul from Faro to Carmacks, Carmacks to Whitehorse, Whitehorse to the Canadian border. I will stand behind that statement, unless shown otherwise.

That department has recently engaged in cost-cutting exercises and termination of a number of programs. I believe that the highway maintenance budget is one that is critical to the operation of the territory, but one that is getting the Minister's axe.

The Government Leader has left behind an approximate figure of \$31 million. The next Capital Budget will tell the story.

In closing, I want to make one revelation towards the office of the devolution coordinator. It is already one year behind and is budgeted again at a significant cost increase this year. The government has tried to strive for major initiatives in acquiring programs, departments and operations from Ottawa, but blind ambition, simply for the sake of being able to say that we own it now, is one that can cause further problems down the road for the government of the territory.

To acquire the programs, to be able to run them, increases further the size of the bureaucracy, the size of the government's services and the operational costs. I want to serve warning on the government that acquiring the programs from Ottawa is not always going to be the solution to the broadening of our economic base.

Hon. Mr. McDonald: I rise in the debate today, largely not because of anything that has been said today, but what has been said in the press in the last couple of days, and enhanced upon by what has been said today in the Legislature by the Member for Hootalinqua and the Member for Faro.

In my view, the remarks made by the Leader of the Official Opposition were clearly an ideological statement that had no basis in fact and completely detached from reality. Having heard the Leader of the Liberal Party, I do not even know where to place those remarks, because I do not have any understanding at all of the criticism that was made. It seemed to be a criticism that took both sides of the street, both sides of the fence, and never really took a position on anything. It suggested that money was channelled in the wrong places at the wrong time. He did not substantiate his case in any way, even superficially, but seemed to suggest that the maintenance of the Campbell Highway was somehow an indicator of how the government had gone completely wrong.

I will have a great deal more to say about the maintenance of the haul route between Faro and the border in the O&M Estimates debate. Suffice it to say, in large part, the actions of this department got the haul route open in the first place, got the ore concentrates moving, reopened the Member's community and produced a tremendous boost to the economy of this territory. That is always conveniently forgotten by the Member who has his eye now on the next election.

Let me tell you, it is not forgotten by me. The responsibilities are not forgotten by the Department of Community and Transportation

Services. They followed their responsibilities in the highway maintenance but in the programs that are of a value to the territory in a manner that I think is completely and entirely responsible.

Let me also say that, if the Member is going to generically suggest that all programs cut are an unnecessary act on the part of government, let me say that there are times when priorities have to be set where programs that have some value have to be sacrificed for programs of greater value so that the maximum benefit can be achieved by the people of this territory. That is always going to be the case with any particular government.

If the Member has any decent argument that suggests that the priorities are misplaced, then I would be happy to hear those arguments. If the Member is simply suggesting that the simple fact of cutting programs or restraining programs is a bad thing out of right, then I would seriously dispute that.

³⁷ The funds that this government has, or could ever conceivably have, will be considered finite funds, and we have to operate within that environment, so I will be interested to see what specific criticism the Member for Faro has of the progress that will ultimately affect his community as he seems to have a focus which is almost entirely on the truck-haul between Faro and the port town of Skagway.

When I first became a Member of this Legislature, representing the Mayo riding, which included the community of Elsa, I was amused by the opening statements of at least the government's first budget of the day that I witnessed. I realize that the Member for Hootalinqua, the Leader of the Official Opposition, does not want us to dredge up the history of previous administrations, and he conveniently calls them, when it is bad memories, the Pearson administration, and when it is good memories he calls it, the Tory administration. Let me just say that in the first budget that I remember listening to, the opening statement of the budget was recognition of the fact that United Keno Hill Mines was still open. There seemed to be some suggestion that if it had not been for the government actions, if it had not been for the foresight and the vision of the government, that this one last mine — the last operating mine — would be closed, too.

I regarded that with a measure of amusement, at the beginning, but that statement was regarded with some rage by the people of Elsa who had been the subject of a government policy, which was a completely hands-off policy, and that if the mining company in that particular community was going to survive it was going to do it entirely on its own. The government was completely hands-off and had nothing to do with this private sector initiative even though it was the only private sector initiative left in the territory in the mining community. It was the only hard-rock mine left in the territory.

Times have changed considerably since then, not only in the character of the government programming and the character of the vision that the government has, but also the character of the economy, which the Leader of the Official Opposition seems to think is something of a false economy and something we should not pin our hopes on, something that is not really a positive climate, and that if we show any hopes on our economy it is a false hope or false faith, misplaced and misdirected and we should pull in our horns and believe that things are going to go bleak and plan for the bleak community and environment that is going to happen.

The Leader of the Official Opposition seems to believe that the budget placed before us, with a 3.4 percent increase over last year's estimates, constitutes a massive growth in government spending. He seems to neglect that in previous years under the Tory administration — sorry, I will defer to his designation, the Pearson administration — the growth in the O&M Estimates by the government averaged approximately 10 percent a year. Since this administration has been in place, the growth percentage rate has dropped every year we have presented a budget in this House.

³⁸ The Member for Riverdale North says that that constitutes misleading the House. Figures will be presented for the Member. The kind of misleading, negative comments that have been placed by the Members of the Opposition in this budget debate, not only in the media, which some members of the media have bought into completely, by the Leader of the Official Opposition in the

statements that he has made in the House, are entirely misleading. Not only are they misleading but, in my view, as one Member of this House who has finally seen some confidence shown, not only by the government but by the private sector in this economy, but they are completely irresponsible. But somehow, the energy that is being shown by the private sector in the building starts that have been started in our community by the mining sector in the creation of the Canamax, the Skukum, the Omni properties or the Curragh property or the increase in the placer mining starts in the Territory, somehow those are all misplaced, too, and they are taking the lead from the Government and that somehow all that private sector investment should never have been placed at all. It was all wrongheaded, and we should think back to the gloom and doom that was presided over by the Pearson administration and, therefore, that that mentality should be the only mentality that is reasonable.

I cannot believe it, coming from a party leader in this Legislature, let alone an MLA, let alone a person who is elected by the people to show some leadership, some drive, some encouragement for the economy to grow and to prosper and to thrive.

When we had this discussion last year in the Capital Estimates debate, there was some discussion about the expenditures of funds in the Capital Budget. Now much of what the Leader of the Official Opposition had addressed are Capital Expenditures, not O&M expenditures at all. We return to the capital debate. We return to the view by the Leader of the Official Opposition that the capital expenditures on the one hand are too much because they show a great growth in government spending, but on the other hand they are too little, because things that we have done so far in terms of development of the economy are misplaced.

Last year I remember getting some heat from the Members of the Opposition when I suggested even for a second that they show even a twinkling of a resistance to the LEOP. I guess I detected, through the statements made, that perhaps there was not support for the Local Employment Opportunities Program. Time after time the Members got up and challenged that assertion and suggested that I did not know what I was talking about and that they supported it 100 percent and that those expenditures were decent, valuable expenditures. I pulled in my horns; I will give them the benefit of the doubt and I said nothing.

Now, I have cause to doubt. I have cause to doubt that my trust in what the Members opposite were saying was misplaced. We have comments in the press from the Leader of the Official Opposition that suggest that this is all "vote-getting frills", that somehow the LEOP projects, which are the creations of the minds of the community in community development, were, in essence, vote-getting frills and that they are not viable. The Member for Hootalinqua, the Leader of the Official Opposition, cited those tourist enhancing projects in Carcross as being part of the wastage of government money. If he is suggesting that, then I would suggest that perhaps what the Member could do, in the O&M debate is perhaps give us some concrete examples such as cutting out the LEOP program altogether, cutting out some of the projects for the communities so that we could take his representations into account when developing the next Capital Budget.

³⁹ If he feels that the community centres or curling rinks for Carcross are not in order, as a representative for Carcross, I will take his representations very seriously. I would hesitate to suggest that I would take those same representations seriously when it comes to other people's ridings. I think they may have differing views.

The assumption put forward by the Leader of the Official Opposition is that all Capital expenditures are going to breed onerous and unbearable O&M expenditures and, therefore, they, in and of themselves, are wrong expenditures. They are misdirected expenditures. This government, as a matter of policy, has provided funding for roads, for highway development, which constitute the greatest percentage of any budget for any provincial government in this country. Provincial governments have responsibility for roads. The highway budget is the largest percentage of any government's budget. It is an accomplished fact that, when one increases the Capital construction for highways, when you move from gravel surface to paved surface roads, you bring down O&M expenditures.

That has been the history and character of the policy-making in the department for some years, and it continues to be so. In recognition of that fact, the government has invested greatly in highway development in this territory.

Not only existing highway development, but off-highway roads, have been upgraded. It has upgraded mining roads in the Dawson/Mayo area and around the territory. It has provided the Regional Roads to Resources Program, which was a creation of this government, and not the Pearson nor the Tory administration, or however you want to designate it, no matter what you think of the memory of that particular administration. It was a creation of this government. It continues to be a priority of this government. The building of roads for the mining industry, for the agricultural sector, for the fishing sector, for the forestry sector, for the tourism sector continues to be a priority of the government.

The Leader of the Official Opposition wants to have it both ways. He wants to say that the government's spending is growing and growing but, at the same time, he wants to take credit for the formula financing arrangement, which provided the funds to develop the infrastructure of this territory to improve the economic position of this territory through the development strategy of the government.

We discussed the matter this time last November. I asked the Leader of the Official Opposition a rhetorical question to explain why it was that the Leader of the Official Opposition would criticize the government for increased expenditures and, at the same time, take credit for the formula agreement. Was it that the Conservatives wanted to keep the money in the bank, or was it that they wanted to develop the infrastructure?

We know that the Conservatives do not have the same optimism about our economy, because anything that constitutes a government expenditure is a false economy. So, we know they want the money, but they do not want to spend it. We know that they do not really have the optimism that any government expenditures for things like infrastructure development, which is a priority of this government, that those things constitute a false economy. How is it that they can possibly reconcile the arguments that they have made with the actions that they have taken?

40 There is nothing in the Member's remarks that will ultimately resolve that conundrum. It still remains a puzzle.

I have a good deal to say when it comes to the O&M implications of capital projects. As a matter of course, it is important, as we have discussed in this Legislature before, to be mindful of the O&M costs of capital projects. I know that communities must be in a position, if they are going to create a new structure, to bear the O&M costs. They must recognize, along with the government, that the design of the building should be one that keeps O&M costs to a level that can be easily borne by the community. That capital expenditures should be directed wherever possible to retrofitting existing buildings so you can bring down the O&M costs. These are all very serious aspects of the government's direction.

I also know, through hard experience, that two major projects that this government has undertaken in the past, for which there was no assessment of the O&M costs, namely the Justice Centre and the Yukon College, are coming home to roost today. We discussed this many times in the past already. We have already born the costs, internalized the costs, associated with the Justice Centre, and we are about to, not in this O&M Budget, but in the next O&M Budget, as Minister of Education, I am going to have to bring estimates which are going to cover the costs of the Yukon College. Despite the energy efficient features that have been bred into the college design, despite the initiatives taken by the Government Services Minister with respect to alternative heating methods, I am afraid that the costs associated with maintaining the college are going to have to increase.

Now, was there any assessment of the O&M costs associated with the college, even though the decision had been taken to build the college? There were not.

I do not know how specific I have to be with respect to the history lesson and the dimension of responsibilities, but I think I will suffice it to say, in a non-partisan way, that that is something that the government has to be mindful of.

The Member mentions that what we ought to have done is perhaps increase the capital budget. He did not mention anything. I asked him in the Capital Budget, when we were discussing that, what projects he would like cut. I did not mention any, that I recall, but I can only presume that he meant to increase the Capital Budget significantly to do more in the way of roads for mines and energy development. Clearly, I suppose, because he did not suggest any cuts in the Capital Budget, the Capital Budget should have been increased perhaps at the expense of the O&M Budget, which only shows a 3.3 percent growth. I can only suggest that the Leader of the Official Opposition was, by implication, suggesting that we eat more deeply into the reserves. I am perfectly prepared, as I have been with the Capital Estimates, to defend the level of expenditure for my departments with respect to infrastructure development — considerable expenditures — and also to assist the Finance Minister in defending the financial buffer we have reserved for the government for the operating expenses of the government so we do not get into a decision as we did a few years ago when we had to cut back on services to the public because the buffer we had left for ourselves was so incredibly small. So, I am prepared to defend the buffer level that we have reserved as well.

41 I find it remarkable that this government, of any government in history, has been accused of not spending enough time, effort and money to care about energy development. It was a joint effort to transfer the Northern Canada Power Commission to the Yukon government. It required the cooperation of the federal government, but it required the time, resources and effort of this government, and it has been transferred in such a financial state — partly due to the partnership of this government — that it is going to allow energy development to take place. It is going to allow this government and the arms of this government — the Yukon Development Corporation — to undertake energy development in accordance with our own priorities. A lot of time and a lot of effort from a lot of civil servants — and from the politicians — was spent trying to transfer that corporation in an orderly and responsible manner. To receive criticism from the Leader of the Official Opposition that not enough time and effort and money has been spent on energy development is absolutely incredible. It makes no sense whatsoever. It draws me back to my original point, that I listened to the ideological statement from the Leader of the Official Opposition, but I could not find any basis or any semblance of fact to suggest or support not many of the things he said, but any of the things he put forward. That is definitely something that we are going to have to discuss in Committee, where there is a little bit more to and fro. I guess we just do not speak on the same wavelength at all. I cannot understand the Member's terms of reference.

The Member speaks to the issue of Beaufort and the fact that the government has ignored putting in a port on Yukon's north coast. He says this at a time when the industry is pulling out in droves. Apart from Gulf's recent blip in confidence in oil production in the Beaufort recently, there has been nothing to suggest at all that private sector — unless the Member is suggesting the public sector develop oil reserves in the Beaufort Sea — is going to roll up its sleeves and invest the bucks to get the oil out.

With respect to agricultural land development, that is something I really take issue with. I have heard from the press recently, and I have had discussions with people who are rightfully upset about the time that it is taking for them to not only make successful application for land, but to have land transferred.

This is the time, and it was in this context, that the Member wanted to distance himself from the so-called Pearson administration. Every time we bring up the fact that they have a record to defend as well, the only Member of this House who is representing a party and does not have a record that has to be defended is the Member for Faro, of the Liberal Party. The Conservatives, whether it is the Pearson administration or not, have a record. That record stands clearly on the table, definitively, and states exactly where the government stood on land transfers, where the government stood on agricultural development and where the government stood on agricultural land development. When we get to the Estimates, I am more than prepared to compare the records, to draw the history

lessons, to bring up the old reminiscences that I used to have as an Opposition critic for agriculture and the responses I was getting from the Ministers of the day with respect to agricultural development. We will speak to what has been done in terms of reallocation of resources within the Department of Community and Transportation Services to enhance the Lands Branch, to make that very much a priority for this government. That will not only be recognized as being significant, but also be recognized by such groups as the Agricultural Land Action Committee as significant progress.

The Member for Hootalinqua says he does not think so. I have met with the group. I will state anywhere, anytime, that the group had complaints about agricultural land, which they do not have now, such as favoritism in agricultural land applications, such as doing nothing, the government receiving agricultural land applications for two years without even processing one application in all that time. Action in five and having four rejected and only one transfer being made. That is the history. Anything that is done in the agricultural community now is an improvement on that record. I find myself quite fortunate actually for being put in that position. I can also say, despite the fact that any comparison would be positive for this government, that we have done many good things, and I will discuss the character of our rearrangements or realignments of budgets to enhance the land function of this government to regularize it and make it much more efficient.

The Leader of the Liberal Party seemed to make one remark that I could understand, which was the allegation that the government lacked any kind of vision. I take issue with that. I am not the most eloquent or articulate spokesman on that subject, I am sure there are better people on this side, or on the other side, who can better express the character of the vision of the government than can I, but let me simply state that the development of the economic strategy of this government has been a priority for us. It not only incorporates the broad Yukon 2000 process, which the Member for Faro has not only complimented in the past, — I presume he knew what he was talking about when he was complimenting it — but also the various components of that Yukon 2000 process for which I am responsible as one Minister, whether it be communications strategy or training strategy, all of which provide vision. We come to the process with a vision, we clarify the vision through the community. We came to it with a desire for import substitution and better use of local materials, local hire, and reducing our dependency on outside sources and developing our infrastructure. Those are very much the priorities of the government and will continue to be so. I would like to think as well that those would be the priorities the Opposition would support.

Let me simply state in summary that I do not believe, as one Member of this Assembly said, that our economy is a welfare economy. I do not believe that we are living on the dole if living on the dole means that we have required a dependency that we are trying to do nothing about. I believe that the federal government has shown a proper and just amount of faith in our economy through expenditures and through support in other ways that I can illustrate perhaps at other times. That confidence in the economy, through the formula financing arrangement, is a confidence that has not been misplaced. In that regard, I wholeheartedly disagree with the Leader of the Official Opposition. I do not believe that the funding and the expenditures of the government are megabucks, out-of-control expenditures. I do not believe that the faith that the federal government has placed in this territory and in our economy has been misplaced through public expenditures and for that reason I clearly and distinctly express disappointment and displeasure with the statements made by the Leader of the Official Opposition.

I have summed up my general thoughts on the matter. I will be keeping my press clippings of some of the more foolish remarks made by Conservative Members on the character of the budget so that we can revisit those remarks in the Estimates debate. I will be prepared to defend the Estimates and any reallocations that have been found necessary to maintain the responsibilities that have been charged to the departments for which I am responsible.

Mr. Lang: It is not my intention to speak for any great length

with respect to the budget before us, but I feel it is important that we center on the real issue that is before us, and that has been so ably put before us by the Leader of the Official Opposition. I do not think the question before us today is to name-call or to make derogatory comments about one individual or one party's actions. The question to the people of the territory is that we have a three-year agreement that roughly gives approximately \$80 million, plus recoveries, so let us round it off to \$100 million extra per year, to put into the economy of the territory. The question before the people of the territory that each of us represents is: what is the wisest investment of those dollars? That is the question.

The balance that has to be struck is between our social responsibilities and how we can invest dollars into the economy directly. Nobody is going to argue the question of job creation in some of the LEOP programs, which no Member on this side took exception to. That particular program, as the Minister well knows, is a winter program. The idea is short-term jobs and nobody is going to argue that. It is a carryover from a winter works program that was instituted in 1981 or 1982, because of the recession we faced. The question the people of the territory has is why the civil service has increased within less than 2 years by approximately 200 person years. There is approximately, probably, another 50 person years hidden because of the Capital Budget, so that is 250 person years, plus contracts, plus consultants.

At the same time, the economy of the territory has not reached the zenith that it did in the late '70s, as far as private investment was concerned. So I think there is cause for concern. There is a psychology and a mentality developing in the public where they are saying, "The government has X amount of dollars, let us get as much as we can while we can." The point we are trying to make is that perhaps we should be reassessing what the priorities are, and should we be putting more money into Roads to Resources.

I commend the government for that particular program. I have no problem standing up and saying that it is a good program. The Minister well knows it is an area we were working at prior to leaving government. I have no problem saying that is a good program in the territory, but is it wise to be spending only \$2 million of the capital dollars from the financial formula in that area at this time, or would we be better served, because it is a three-year agreement, putting more money into a program of that kind? That is the question. That is the question. It is not a question of standing up in the House and saying, "If you stand up and dare make an adverse comment about the budget, I am going to cut off a program in your riding." To even consider saying that to any Member in this House probably represents the arrogance of the government, then, if that is what you want to call it.

The Member for Riverdale South has raised a good point. The member from the territorial council resigned from the Cabinet when he threatened another member in a handwritten note. Effectively the Minister of Community and Transportation Services said that with respect to the reply to the Leader of the Official Opposition with respect to observations on the Budget.

I find that offensive. I do not think that should be the spirit of what we are discussing here. The point that he has made is that there could be more money directed for the purpose of creating future wealth at the end of 1989. That is all the question was. If one goes through the Budget, nobody could stand up and talk about the previous administration. The fact was that the previous administration did not have the financial formula and the finances from that.

The Leader of the Official Opposition has been very constructive in standing up and saying we should be looking at areas such as Roads to Resources, energy, agriculture, tourism, the North Slope, as far as port facilities are concerned, things of this nature, things that are going to generate revenues for the government and the people of the territory in the long term.

I agree with the Minister with respect to some projects that have gone on in the past where there may not have been enough planning on the O&M side. You have to look, with respect, to the people who were involved, the size of the civil service and the people who could give the advice at that time. Things have changed.

When I go through the community of Whitehorse, which I know very well, every place I look there is a government office. Every

time you go looking for the government office, it has moved. That compounds the confusion to the public who are not directly related to the Government Services.

We are finally getting to the point where the government is supposed to be there to serve the people. We are now getting to the point where people are there to serve the government. It is raising a legitimate concern that is being expressed in a lot of circles. I am sure, like Members across the way, we travel around a lot of circles and talk to a lot of people. I think it is a legitimate concern when we raise it with respect to the overall direction and where money is being spent.

The other concern I want to express is the one the Member for Porter Creek West raised in Question Period, with respect to the placer miners and the question of policy and policy decisions by this government and where they stand with respect to the question of the placer miners and the effluent standard. There has been no position taken. The government has a responsibility, at one time or another, to come out with a position, and time passes us by.

On the question of fisheries: are we going to get a transfer? That is absolutely essential with respect to the tourism industry and our placer miners. If we have some control in that area, then we do have an ace up our sleeve to be able to negotiate with the Government of Canada with respect to standards.

Once again, I want to direct a question that should be put to the people of the territory. Are the monies that we have received from the largesse of the Government of Canada being spent in the wisest manner possible? That is the question. It is not to say you did that, or you did this, but we are looking ahead to say maybe more money should be put in these particular areas, so they will generate wealth. At the present time, the concern from this side is that with the way the money is being spent, we are generating debt in the years ahead. That was not the intention of the financial formula.

⁴⁵ **Mr. Webster:** I welcome this opportunity to speak on the budget today because as you know this is my only opportunity to speak on the budget, so I intended to speak at great length. Because of hearty objections from the caucus, I will forego those lengthy remarks and just keep them very brief.

This government's 1987-88 operation and maintenance budget will continue to develop the Yukon economy and to improve social programs with a modest 3.3 per cent increase in spending. It also contains provisions to eliminate medicare premiums, but contains no tax increases for Yukoners. It is an excellent budget that demonstrates sound financial management and restrains the growth of government.

Quite frankly it is a budget that is, for some people, difficult to get excited about. For that reason, it is a real disappointment, at least to some people. First, the budget is a real disappointment to some members of the media who thought that with such little controversy surrounding the budget, it was necessary to create some. I would like to take a few minutes to talk about that and read excerpts from a CBC broadcast from Tuesday morning, 7:30 AM, which discussed the Opposition's refusal to attend the budget lock-up on principle. I quote here: "In the Yukon, the lock-up has been a fixture of Conservative and NDP governments, but this time around the Penikett Government has made it a lot tougher. They require journalists and Conservative MLAs to sign a form swearing they will not divulge any information before it came out of the Finance Minister's mouth."

It is a nice statement except that it is not accurate. The fact of the matter is that it was not just journalists and Conservative MLAs who had to sign the form. It was everyone who entered the lock-up including yours truly. But, of course, if that had been reported that way, it would not have made much sense to the following part of the story. All this sounds like paranoia to the Conservative Leader Willard Phelps. "There is no call for them to get this paranoia started. In effect, what they are doing is accusing the press and Opposition MLAs of not being good to their word. There is absolutely no evidence of that, and I am simply not prepared to sign more agreements and look after red tape and so on and so forth".

Well, I went into the budget lock-up, I signed the statements. I did not necessarily feel that people did not trust me, that I had great

feelings of paranoia sweeping over me. I simply signed. I did not think that it was great deal of red tape; I simply signed a two-page statement, which, as far as I am concerned, acknowledged the fact that there were certain rules and procedures to follow, and I was prepared to abide by them. Very simple.

In this same story, there is yet another gross inaccuracy. I think put there deliberately to mislead the Yukon public. "Penikett has no sympathy for the complaints he is getting from the Opposition and the media. In fact, he is talking about doing away with the budget lock-up altogether. That would make it harder for the Opposition and the media to tell Yukoners where their money is going." Really Mike. I would like to explain to the member of the media in question here, that it is quite permissible to ask the same questions in a press conference following the budget address as you would in the lock-up prior to a budget address. So you are just dealing with three hours here, and I am sure that you could make your 5:30 deadline.

I just want to bring it to your attention that I brought this to the attention of CBC at five minutes after eight on Tuesday morning — specifically five after eight, because I waited to hear CHON-FM's report at 8:00, and I must say, incidentally, that they had a very good report. It was comprehensive and factual. Of course, when I did bring it to the attention of CBC newsroom, they did not want to let facts get in the way of a good story so of course it was broadcast again, in its entirety, without amendment, at 8:30.

I think another reason why the media is disappointed is that there is no increase in taxes.

⁴⁶ They could not believe or understand why a government in mid-term would not increase taxes. They just thought this was an incredible opportunity that the government has blown, even having acknowledged the fact that they did have \$31.8 million in the bank at the end of this next fiscal year. Hence no story.

The real story is that there is actually a decrease in taxes this year with the abolishment of medicare premiums. This, despite what the Member for Riverdale South has to say, will benefit a lot of Yukoners, such as me, whose medicare premiums are not paid for by the government or a company. This will put the money into a lot of pockets of Yukoners, especially rural Yukoners.

While I am discussing the subject of medicare premiums, I want to caution the government right now that, effective today, we are not required to pay any more health premiums, and we could be experiencing a flood of applications for some new Yukon residents, primarily those who are residing in jurisdictions where you are required to pay health care premiums, such as Alberta and BC, and are here under the pretense of working here for the summer and are claiming to be Yukon residents. So, I caution the Yukon government to make the requirements more stringent to become eligible for Yukon health medicare.

Obviously it is also a disappointment to the opposition in some ways. Now they cannot criticize the government for raising the taxes because they have a surplus of \$38 million in the bank.

If I can talk about this surplus for a few minutes, we are spending \$11 million more in both the Capital and the O&M Budgets than this government will receive in revenues. I really do not think, despite what the Leader of the Official Opposition has to say, that they have any problems in spending the money. I think he has made that clear. The federal government has given us the money for a specific purpose and we are spending that money for a specific purpose. We all realize that the money will do Yukoners no good sitting in the bank and, as the Leader of the Official Opposition has already remarked, our formula financing has already run out and we are going to have to go to Ottawa and bargain for another agreement. We would hardly be in a good position if we had more than a \$30 million surplus sitting in the bank. I will come to that.

The real disappointment, of course, is how this government is spending the money. I refer to a headline, "Government Said Squandering Megabucks", in the local *Whitehorse Star*. Of course, this also refers to his comments about the handout, and how we are living on handouts from the federal government, which I do not think is a very fair and accurate thing to say about members of the federal government who concluded this deal, who are responsible for this deal. I am referring to our own Erik Nielsen. I agree with

the Member for Porter Creek East, who says we should not have any namecalling in this Budget debate. I think that the Leader of the Official Opposition will be willing to take that back about these "handouts" from the federal government.

I know, as politicians, we all say things once in awhile we later regret and I will give you the opportunity to take it back.

The purpose is to improve the quality and level of public service and to improve the necessary infrastructure. That is what this government is doing. I would like to speak for a few minutes about my riding of Klondike. I believe that this is a very good example of what is happening in rural Yukon, of monies being spent for exactly this purpose.

I would like to refer to my handy report, the *Klondike Newsletter* of January, in which I give a breakdown of some of the items in the Capital Budget for the Klondike constituency. In the Department of Education, we will be building a community complex at a cost of \$3 million this year. Health and Human Resources will be doing renovations to Macdonald Lodge for \$200,000. Tourism is spending \$100,000 for exhibit development. Government Services is spending \$200,000 for energy retrofits, \$150,000 for workshop and equipment. Community Services is developing more lots in the Callison Subdivision for \$100,000. We are installing a fire-alarm system for the community of Dawson at \$100,000. Of course, we are spending \$3 million on a dike to protect the community to protect the infrastructure already there. In Transportation we are spending \$600,000 for maintenance camp facilities at Ogilvie.

On the Klondike Highway, we are doing BST, at a cost of almost \$1.5 million. On the Top of the World Highway reconstruction, \$300,000; Dempster Highway reconstruction, roads protection, grade restoration, calcium treatment, washout prevention; all at around \$4 million.

These are projects that well illustrate the fact that we, in the Yukon, are improving our infrastructure here.

As I have said before, it is a good example of what is happening in rural Yukon, to do exactly what that money was intended to do. I would also like to bring to your attention the fact that there are a number of LEOP projects ongoing in my community at this time, which are basically fulfilling the same function. The Dawson Indian Band is doing restoration work on the old school house and cabins at Moosehide; the Dawson City Museum and Historical Society is constructing furniture, \$64,000 in the Old Territorial Administration Building; Dawson Child Care Association is retrofitting and renovating the interior of its daycare centre for \$31,000; Klondike Visitors Association is spending \$50,000 for construction of an interpretive centre, the Jack London exhibit; Yukon Order of Pioneers have \$60,000 to do foundation work, repairs and addition to the Pioneer Hall.

It is obvious that these goals are being fulfilled. We are improving infrastructure and creating new cultural, social and tourist facilities for the benefit of all members of the community. We are doing this in such a manner that is creating work and new job opportunities. Dawson is a busy place, like most rural Yukon right now. Most people have been working for the past month which, I must say, is a welcome change from former years for this time of the year. This is the earliest spring on record for work activity and job creation in the community.

I would like to point out that this activity is not just in the public sector. It also includes the private sector as well. For example, our friend, Mr. Seely, has built a new store; our friend, Mr. Peter Horsnel is in the process of constructing a new garage that will employ a mechanic on a year-round basis for the first time for our community; there are additional rooms being built at two hotels in town; and I can go on.

I also take exception to the statement made by the Leader of the Official Opposition that we have made no commitment to bring onstream affordable electrical energy. In my riding in the Klondike, the government has made a promise to do exactly that with the Klondike North Fork. I think that that is another example where we are spending money to improve much needed infrastructure. In other words, the money is being spent for its intended purpose.

I want to leave the disappointments for a minute to raise a concern. This Budget calls for a 3.3 percent increase in spending. I

am generally pleased with this, as it is in keeping with NDP philosophy that it is not necessary to increase the bureaucracy, but to have an effective, efficient civil service, which, incidentally, I believe we have.

There is one area of government that I feel is losing some of its effectiveness, because the workforce is not being increased. That area is the Public Schools Branch of the Department of Education.

The number of person years for this branch remains unchanged from the previous year's: 364.58. What this means is that, despite the increased number of students enrolling in Yukon schools, which is forecast to be two percent this year and three percent next year, the number of teachers in our schools has not increased.

⁴⁸ I believe we already have too many classrooms in the Yukon schools with too many students. The problem exists for both children and teachers in classrooms with 28 to one or 32 to one student-teacher ratios. These problems are compounding when split grades are involved — a common feature in the early grades of one to four in schools, not just rural Yukon, but throughout Yukon. As these are the most important years for children in formulating a positive experience that will influence their progress throughout their lives, I believe it is important that they be given only the best of opportunities.

We now have a school system with an excellent teaching staff. What we need are more good teachers to complement their efforts.

In closing, I want to state that, although some people are disappointed with this Budget, I also want to emphasize that they are definitely in the minority. The fact is that a vast majority of Yukoners will like this Budget, as it will improve social programs and will increase economic opportunities of Yukoners in all areas of the territory.

Mrs. Firth: It has been very enlightening this afternoon listening to some of the speeches that have been presented in the Legislature. I want to tell the Minister of Education right now that I do not think he is a tough guy; I do not think he is very tough and has horns. I just do not think tough guys use words like inkling and twinkling.

Listening to the underpaid Member for Klondike, I think he is pretty tough. The underpaid Member for Klondike has not read that book "How to win friends and influence people". I think there is probably another book he has not read, something about the media having the last word. We will just wait to see how tough he is.

I find an interesting situation developing in the Legislature. It is somewhat embarrassing for me, because I find I am in the middle of some kind of intimate relationship that seems to be collapsing, dissolving. This intimate relationship is between the NDP and the Liberal Member, in which the rift is becoming very obvious by the sniping back and forth and the little squabble is becoming more evident. I think it is safe to say that the marriage is collapsing, or probably has collapsed. It will probably collapse at the time of the by-election.

I rise today to speak about the government's Operating and Maintenance Budget — not in a negative way, and I do not want to appear to be overly critical. I do not imagine the government is going to interpret it any other way than that I am being critical, but I feel that I would like to raise some responsible questions and would like to make some observations about the Budget. In no way do I question the government's ability to spend money. We have had several experiences in Canada where we have seen New Democratic governments. I think they have always been able to demonstrate to the taxpayer that they are quite capable of spending money, and spending money, and spending it.

⁴⁹ I am not going to make any comments about how much they are spending and where they are spending. I think it is fairly evident that they are over-spending.

I looked through the budget very closely, and I looked through the glossy little operation and maintenance budget address that the Government Leader gave in the Assembly. I did not look so much at what was there and what was contained in the budget and what was contained in the budget address but what was not there — things that we have been debating in this Legislature over the last two years, different programs and initiatives the government was

going to undertake. I looked for them in the budget document, and there are several that were not there. I think it is worth mentioning and asking the government where they are. I am just going to touch on a few of them; I am not going to go into any great detail about it, but I would like to mention a few and to say that we will be raising more issues like this later on in the debates when we get to the particular departments.

We take a look at the address firstly, and we just read the way it worded. From what the Government Leader has been saying about open government and accessibility and information being made available to the public. I was somewhat disappointed in the statement, because I think the Government Leader has been somewhat less fair and open than he professes to be. I think he could have been a lot more fair and open and honest with Yukoners when it came to revealing some of the details and direction that his government was going in his budget address.

An example of this is when the Government Leader talks about the renewed sense of confidence that Yukoners have in the economy. I try to be fair and give the government praise when praise is due, but I have to go back to what I hear when I go downtown and talk to the business people and to Yukoners in general about the economy and about whether they are more confident in the economy. The response I seem to get the most is that people are quite skeptical about the economy. I do think they feel that there is any kind of a boom here. They are suspicious as to whether the recession is really over, or another recession is coming, but I do hear that the government is spending a lot of money. "The government spent a million dollars on this today; the government sure is spending a lot of money."

If the government wants to interpret that as a renewed sense of confidence in the economy, I am going to have to disagree with them, because I do not interpret it that way.

In the budget address, the Government Leader talked about affordable power, that the transfer of NCPC will provide benefits to Yukoners in the years ahead in the form of affordable power and new development opportunities. What does that mean to us? Does the individual out on the street, the business person, the home owner, interpret that as having power that is going to be less costly? It sounds nice — "more affordable power" — but what does it mean? It does not mean anything. It is just written in the budget with no explanation.

The Government Leader also talks in the budget about enhanced funds for employees in the budget. This is something people are interested in. The taxpayer is quite interested in funds for enhanced benefits for the employees of this government, yet that is all that is said. There is nothing in there about how much more the 100-plus person years are going to be, how much more the job evaluation study has cost the government. There is no indication of what those funds are. I would submit that they are probably in the millions of dollars. I know they are in the millions of dollars.

⁵⁰ I would levy some criticism at the openness of the government and say again that I do not think the government has been as open and as fair and could have been more honest with Yukoners when they gave their budget address to Yukoners.

The Budget Address talks about consumers spending more money — money that had been previously been used to pay medicare premiums. We all know that that is just not true. The Yukon Medical Association, when they made their appeal to the government not to abolish medicare premiums, raised the point very clearly that this did not necessarily mean that there was going to be more money in the hands of the average individual in the Yukon, it would be the employers who would be benefitting. For the Budget Address to leave a statement wide open like that, inferring that there was going to be this mad rush downtown by everybody who was going to have this \$27 more in their pocket to purchase goods is less than I would have anticipated from this government.

I want to make my last comment about the medicare premiums, probably for this Session. I may have some comments in the Health debate, but I hope I am getting my message across. I do not think the government has any intention of changing its mind or changing its position, but I find it quite interesting that the Ministers of this government, the front bench, like to come into this House and say

we like to do things this way because the other provinces are all doing it. The Minister of Justice is perhaps the worst abuser of that phrase: that we are doing it here because we are behind and everyone else is doing it and we have to catch up.

In one quick motion one day, we abolished medicare premiums. We had no debate on the anticipated costs other than the brief bit of information the Minister of Health brought in here. We did not have any debate on what had happened in other provinces when they abolished the premiums. We are finding now all across Canada that medical costs are escalating extremely rapidly. The two existing provinces that have medicare premiums are having to increase them or look at user fees, they just cannot handle the costs anymore.

Quebec is already de-insuring services. Other provinces, I am sure, are considering that. I know they are, from the research I have done. So for a government that comes into this Legislature and says we are doing things because other provinces are doing it, you would think they would learn from what other provinces have done and we would not come in here and make the same mistakes all over again for Yukoners. That is what we really are doing.

The Chronic Disease List was expanded — another initiative of the government without any debate about cost implications. We had some figure from the civil servants of \$100,000 to \$200,000, somewhere in that range, identified for the expansion of the Chronic Diseases. I have doctors telling me that every day they have two or three people coming into their offices asking to be put on the Chronic Disease list. I have people telling me that they are being openly solicited because people know they take medications, and they are being actively recruited to go and submit their names for the Chronic Disease list.

There was no discussion about what the medical fraternity thought about this decision and how much they thought it would cost, and I have talked to quite a few people in the medical fraternity and they feel this has the potential of costing Yukoners millions of dollars — millions, not hundreds of thousands, millions. ⁵¹ Other provinces have subsidy systems for medication for those who cannot afford it, but we are going ahead and just saying to people: we will buy everything for you and pay for everything for you, without any debate or any indication that the government has looked down the road a year, two years, three years, to see what the cost implications could be to the Yukon taxpayer.

Then the Minister of Justice talks about what Yukoners can afford, and looking at what 27,000 people can afford. Maybe he has looked at that in his department, but I would submit that the government has not looked at that, from the direction that this Budget is going and the philosophical direction they are taking the Yukon in.

I looked at the comments about the Yukon Development Corporation. These probably represented the most interesting points in the Budget Address that one could look at. On page 12 of the Address, we had one small paragraph about the Yukon Development Corporation and how it was viewed as an important tool in shaping the economy. Then it went on to say that, through its operations, it was going to generate significant revenues for 1987-88, and that the revenues were estimated to be \$4.3 million.

If you look at the Main Budget on page 286, for the Yukon Development Corporation, which is going to be the NCPC and the Watson Lake Forest Products, they have one dollar identified for O&M costs, but they have \$4.3 million in revenue identified.

Let us look at the two components of the Yukon Development Corporation. There is the NCPC, which I know there was some debt that we assumed when we took it over. There is no mention of that. I would be interested in knowing what the cost implications of that are going to be. For Watson Lake Forest Products, there was a viability study done. The study indicated that some revenue could be generated to replace some of the equipment. That was felt to be dubious by some business people. It came into question.

We talked in this House about personnel costs for Watson Lake Forest Products. We got into the debate of equal pay for work of equal value and what that was going to cost. We never did get a final answer from the government. We look just at the startup costs for a new business there: machinery replacement, equipment cost, personnel costs. I would like to know what it is going to cost to

generate the \$4.3 million. I think other Yukoners would like to know, too.

It reminds me of a story of someone I know, who likes to gamble every now and then. The gambler was very happy, because he had won \$500 and was very jovial. When he was asked how much he spent to win the \$500, he said he had spent \$2,000.

I wonder if this is what this government is doing. For that \$4.3 million, how much money is this government going to have to spend? We do not even know if the government has done a financial analysis of how much money they are going to have to spend. It is not indicated anywhere in the Budget. I know we are going to have to wait for further supplementary estimates to come forward to enhance this Budget.

⁵² I do not know if that is a very responsible way to manage the taxpayers' money. I do not think it is. I do not feel it is, personally. I know the Government Leader will have lots of reasons why he has to do it that way. I feel that if he was being open and totally forthright with us he could give us an indication of what the profit was going to be, not just what the revenues were going to be, or is there going to be any profit?

The Government Leader is saying that is the profit, but that is not indicated in the budget. Revenue is generated. What is the cost to operate and maintain personnel, equipment, debt write-off and so on?

Again we look at what other areas have done. We were just over to Alaska to visit on a legislative exchange and heard about the tremendous downturn in the construction industry and how Alaska was losing thousands, I believe it was, of contractors in the State of Alaska. They were very wealthy at one time when they had the tremendous oil revenues and they embarked on a program of building capital projects everywhere. In order to build those capital projects they did not have the human resources in Alaska in order to pursue that, nor do we. The Government Leader has already told us that in the last Capital Budget we had some twenty-some percent lapsed funds. That was for an \$80 million capital budget, and I can anticipate that with an \$118 million capital budget we will again have a large percentage of lapsed funds. There are contractors and people coming here to start businesses because they hear there is government spending and capital projects going on. What happens when the government stops doing that and cuts down as the Government Leader has indicated that they will be doing in future years? Then we are going to have a contracting association who is experiencing a downturn and there are going to be many people out of work again.

I think the government could do a more effective and responsible job of their planning and learn from other areas like Alaska and Alberta, who experience the same thing. Why are we going right ahead and embarking on a huge program of capital expenditure, government structures, when we know that that is what has happened in other areas.

I think we could carry on to build some facilities, but it has to be done with the long term in mind, and it has to be done with the past bad experiences that other areas have had. We should be learning from those, not just heading right into the same situation ourselves.

We had much debate in this Legislature about the Human Rights Commission. I remember the Minister of Justice saying that he knew how much the Human Rights Commission was going to cost. We talked about a Director and that Director probably having a secretary. I believe the Minister himself said the cost could probably be within the area of \$70,000, perhaps more, depending on the size of the Commission and so on.

So I looked at the budget under the Justice Vote, and I looked for some indication of a Human Rights Commission, something that would indicate that the government is going to be proceeding with the Human Rights Bill they passed. On page 217, under the Policy and Planning Area, I found one line for Human Rights Development for an identification of \$32,000.

⁵³ We had talked about directors and secretaries and so on, and I find an increase of a .25 person years — a quarter of a person year. Again, I am not looking at this budget so much for what is there, because there is lots of information here, but for what is not here. I know that what is not here is going to be coming forward later. To

say that we have a mere 3.3 percent increase in the budget, I think, bears some further investigation.

Just look at what we have debated in this Legislature. The Minister of Education got up and talked about the O&M costs of the Yukon College. The Minister of Justice has mentioned the O&M costs of the justice building. We got information about the job evaluation study from the Government Leader last session. He said that the costs were going to be in the area of \$5,000,000. The government has grown; the space has doubled. I have a document that I can give the Government Leader that predicts the costs of the JES that he gave me. The government growth and the space allocation has almost doubled. There are O&M costs that go along with that space. There are costs associated with the 100-plus new person years.

We have two major departments within this government that are having major revisions: the Department of Education and the Department of Community and Transportation Services. Those revisions are bound to incur some costs. I do not accept the fact that the civil service has been told that they are just going to operate within the financial bounds that they have now. They are going to need more money. They are going to come asking the Ministers for more money. They are not going to be able to find it within their departments. If they are, something is definitely wrong.

I think it is time for us to be realistic. I think Yukoners would like to know what the bottom line is. I think they would like to know exactly how much money the government is going to spend. I think they want more information about the Yukon Development Corporation. I know I certainly do.

We look at the budgets that the provinces are presently bringing forward: Saskatchewan, Alberta, Manitoba, British Columbia. They are raising taxes; they are cutting down the size of government; they are reducing programs. They are looking at medicare costs. The federal government is looking at medicare costs.

⁵⁴ Why would this government not learn from what those provinces are doing? I do not think it is unreasonable to anticipate that, a few years down the road, the Yukon Territory is going to be in exactly the same position that some of the provinces are in now. We are not going to continue to get 70 percent of our funding from the federal government, because they do not have the money anymore, either.

If we do not have to take the Yukon in this direction, why are we doing it? Why would the government be doing it now?

Now, the Government Leader is going to get up and talk about job creation and employment, and that is fine. We do not disagree with that. We would like to see as many people employed as possible, too. We are not going to do it when we have seen the mistakes that other areas in Canada have made and other states, like Alaska. Surely we are not just going to carry on in the same direction and make the same mistakes.

Yukoners are relatively well off — not all Yukoners. I know the Government Leader is going to talk about those who are not as fortunate as others. I can see making an identification for those individuals, as the Minister of Health and the Government Leader said about unfair taxes. If they can identify a group of people that something is unfair to, look after that group of people. Let us not have overkill and open it up so that everybody, even those who do not need it, are using it.

That is what happens. That is when costs start building and building. It does not make sense to me. We have no disagreement with those who have not been as fortunate as some having some attention. We never have. Because of those individuals, let us not give to everyone the service, if they do not need it. We cannot afford to live that way anymore, as it has been shown in the rest of Canada.

I have to say to the government that they have to stop spending in a manner that is living for today and spending for today. I do not get the feeling that there is a lot of long-term planning and a lot of futuristic vision on behalf of the government.

⁵⁵ I know that philosophically they have some idea of what they would like to see in the Yukon in the future — a perfect society maybe. We are never going to attain that, and you cannot buy it. No matter how much money you spend you cannot buy it.

I have to look at what the native people of the Yukon Territory

said when they started negotiating the land claims and thinking about their future. I hear a lot of young people express concerns about this when they are in school and they are looking forward to having a job opportunity. Maybe they will have a job opportunity, maybe there will be some jobs available, maybe there will be some money available.

I believe the native people of the Yukon said they were working today for our children tomorrow. I do not get the feeling that the government has taken that expression very seriously, because if we do not think about the way we are spending money, if we do not look at the mistakes that have been made in other places, there is not going to be much of a future for our children tomorrow.

I would appeal to the government to either be totally open and honest with us and tell us how much they think it is going to cost. Do not give us some glossy nice words that really do not mean anything to people. Be upfront and tell us what the costs are really going to be, and what our position is really going to be.

Hon. Mr. Penikett: There may have been enough said. I want to tell the Member for Riverdale South that we really enjoyed her speech, and a couple of her quotes I am going to clip out and keep on my desk, for future reference. When I hear anybody in this day and age suggest to me that we should be listening to British Columbia and that Government is a model of how to do things, I am simply flabbergasted. To suggest that somehow we should listen to this government, which has got the most regressive position in the land on all sorts of issues whether it is labour relations, land claims or human rights, all I can do is utter a sigh of despair.

And to listen to that government as a sign of what to do on the economy, or on budgets, is even more remarkable. That province now has the highest unemployment rate in Western Canada. They are losing population and, according to the Tory pollsters, it is the most unpopular government in Western Canada. That government ought to be a model for absolutely nothing.

The Member made in her speech a pitch that we should not try to build a perfect society, that somehow for people like herself, it is quite wonderful enough already, and that we should leave things as they are. Obviously from our point of view, what we have today is not good enough. It is quite good, but much more can be done. When she says we cannot spend our way into a perfect society, well all I can quote back to her is one of the great Conservatives in American political history, a former Republican Governor of California, who said that civilization costs money, and that is a true statement in the United States, and it is a true statement in Canada. It is just too bad that the present President of the United States, who is also a former Republican Governor of California, does not believe the same thing. I just want to say, too, about one of the notes of levity at the beginning of her speech, when she was making reference to the impending divorce or the need for some mediation or marriage counselling in respect to the two parties in this house, and I am sure the Member from Faro will agree with me, that as they say in Hollywood it should be reemphasized that we are just good friends; that there is nothing unholy at all in our relationship.

⁵⁷ I do not want to spend any time on the other speeches, except to comment on some of the excellent ones that were made on this side, particularly by the Members for Mayo and Klondike. I found the Leader of the Official Opposition's speech very entertaining. I do want him to know that. I appreciated it in ways that he will never be able to appreciate.

The notion that we had a false economy and that, somehow, he has been going down south and telling people that, really, is quite an admission of guilt in terms of the promotional role that I thought we all ought to be playing here especially since this region last year had the fastest growth rate of any region in the country in mining, tourism and in terms of reference to diversification. It is beginning to take a lot of attention from across this country. We not only had the fastest growth rate, we had the fastest reduction in the rate of unemployment, and that has been noticed.

The Leader of the Official Opposition speaks about our dependency relationship on the federal government, and that is an important point to make. I am not quite sure whether he thinks that the federal government ought to reduce it, since he implies they are a kind of social worker to the Yukon, they ought to be making us tougher up

by cutting off our water, or whether he thinks that we ought to be turning down the money or, somehow, he has also implied leaving it in the bank, perhaps for some future day when a Conservative government can come around and squander it on things like Cabinet cars, wine, aspirin and expense accounts.

The prescription that he is offering for us, that we put the money into the economy into creating wealth, is, of course, the one that we are following. I suspect that what we have here is really a spurious agreement that, somehow, he is conceding that what we are doing is the right thing, but just does not want to publicly admit it.

The money we have put into Faro and Watson Lake to rebuild the industries in those communities and to create jobs does create wealth.

⁵⁸ All the measures we are doing create both private wealth and public wealth. Every modern society has some of both. It is interesting to hear the criticism of putting money into curling clubs and schools, and so forth, because the recent evidence I read is that those communities and those jurisdictions that have been putting money into educational facilities and recreational facilities, such as Massachusetts which has the fastest growth rate in certainly the northeast and much of the United States and had a remarkable recovery in their economy in recent years, has attracted industry, workers and investors to the state exactly because they have very appealing community attractions and recreation. They have first class educational institutions, which become a key determinant, not only for many investors but for many potential employees and many potential residents because these become a very important criteria in deciding the location of their investment and the location of their families.

We talked about the person year question before. Of course, one of the reasons we have a large number of increases in person years this year is that we are converting many of those people who were working for the government all along, but were hidden by the previous administration. We are trying to do contract reform and casual reform, and people, of which there were dozens and dozens — as the former Government Leader knows — who never showed up in the books, were not confessed and were not honestly expressed. I say this to the Member for Riverdale South: we are now beginning to put this on the record, and that is one of the major reasons for the apparent growth in the public service. But, of course, they were there.

On the same score, I think that the Leader of the Official Opposition should not be modest when it comes to the expanding government space and the fact that we have moved a lot of these people out of this building. I think he should take proper credit for his role in this. After all, it was his complaint about the air quality in his office that first caused us to have an inspector look at it and decide that not only was the air quality in his office unsafe, but, in fact, in this whole building it was foul. In fact, the conclusion by those inspectors was that we had 200 too many people in this building. In fact, the previous administration and ourselves, for some period of months, had been doing something that was quite wrong: keeping an excessive number of people here in violation of their own good health and, I expect, at considerable debt to their productivity.

⁵⁹ The initiative there, the stimulus to get us to go out and do the right thing by our employees and to have a reasonable accommodation for those people was, of course, very much triggered by him, and I think he should take proper credit for that.

Applause

It was a classic Keynesian gesture, and I think he should be properly rewarded for it. We are, of course, by all our initiatives, trying to build a more self-sufficient, more stable, more self-reliant economy. We are going to try and change our dependency relationship with the federal government. The only way we can do that is by having a healthy economy.

On that note, could I suggest that we might — I am feeling slightly peckish — adjourn for the supper hour, and I would like to continue my remarks and my rebuttal of some of the observations of the Members after the evening break, if you will permit me.

Speaker: Is it the feeling of the House that we recess until

7:30?

Some Members: Agreed.**Recess****Speaker:** I will now call the House to order.

Hon. Mr. Penikett: Before I was so pleasantly interrupted by supper, I was responding to the thesis of the Leader of the Official Opposition, referred to by the Member for Riverdale South as the outstanding comment. Let me concede that instantly. They were outstanding. They were remarkable, thought-provoking, even astounding.

Mrs. Firth: Like a farmer — out standing in his field.

Hon. Mr. Penikett: I never really thought of the Leader of the Official Opposition in the way my heckler from Riverdale South has just described him, as a sort of agriculturalist disseminating the essential ingredient of agriculture with a pitchfork. That is one of his own colleagues describing his speech; that is not me, so I will not join that sentiment. I think more highly of him.

I wanted to respond to a couple of the other themes in the hon. gentleman's speech. I think the title will be remembered forever, as a result of the *Whitehorse Star* headline, "Squandering Megabucks". It sort of sounds like the title of a horror movie, something that would only attract teenagers to drive-ins down south.

The squandering is an interesting concept, especially since the topic before us is the Operation and Maintenance Budget for 1987-88. I would like to put the squandering proposed by this government for 1987-88 in the context of the squandering done by this administration and previous administrations in the last few years.

⁰² I have previously, as have my colleagues, explained why we were concentrating our spending in the capital area rather than the operations area. I believe those reasons are well understood by the Leader of the Official Opposition, because he attacked me vigorously for doing exactly what we are doing, and then argued in essence that we should be doing more of it.

Consider the squandering record of this government on the O&M side. It has been told to the House that the Estimates proposed for 1987/88, the squanderings proposed for 87/88, is a 3.3 percent increase over the previous year's Main Estimates. I can state with absolute authority that that is the smallest O&M increase for this government's budgets in 10 years.

The record is as follows: in 1978/79, the O&M Budget proposed a 10.6 percent increase. The 1979/80 O&M Budget proposed a 12.5 percent increase. The 1980/81 O&M Budget proposed a 12.5 percent increase. The 1981/82 fiscal year budget proposed a 16.5 percent increase. The 1982/83 budget proposed an 11.5 percent increase. The 1983/84 budget proposed an 11.9 percent increase. The 1984/85 budget proposed a 13.7 percent increase.

All of these figures, I am reasonably certain, were well ahead of the rate of inflation and well ahead of the rate of growth in the Yukon economy.

When, as the Leader of the Official Opposition would have it, the wasters entered the palace gates, the New Democrats entered the seats of government, you would have expected the squandering record of this government to have become even more wild and more excessive.

⁰³ The facts are, of course, obvious. It may be that we have, in the best sense of the word, a streak of fiscal conservatism. But I do not apologize for that because I do not think that all things conservative are bad. I think that in the best sense of the word, or the truest definition of the word "conservative", it can be, in some sense, positive virtue.

The figures are these: in 1985-86 we proposed an eight percent increase in the O&M expenditures; in 1986-87, a 6.8 percent increase. That figure was consistent with last year's rate of economic growth, in fact, which was around seven percent. This year we are proposing a rate of growth in the O&M expenditure, as I said before, 3.3 percent below the rate of inflation, below the rate of growth in our economy. I think that is a fiscally prudent procedure. Now the assertion has been made earlier today that, by

building things like schools, and roads, and recreational facilities, somehow we are building debt for the future. These statements were made as if no government before we came along had ever built any schools or roads or recreational facilities. The proposition was somehow that we are building debt, or building future obligations.

Of course quite the opposite is the case. I think you could make a convincing intellectual argument that given a choice of spending a dollar on the capital side or the O&M side, that when you spend it on the capital side, — assuming as the federal government does a capital expenditure of one dollar has a consequence of a one cent O&M expenditure — you would be spending \$1.01. You build a dollar into the O&M budget, build it into the base, and over 10 years you are in fact talking about \$10-plus. The point made by my colleague, the Member for Mayo, also holds. Much of the capital spending that we propose, whether it is the paving of roads or the retrofitting of public buildings, amounts to the saving of the treasury in the long run, a saving of operation and maintenance dollars.

⁰⁴ I think that is the right way to go in a developing territory, the right way to go when we have what may be, given the deficit-cutting tendencies of the federal government, a temporary sufficiency of cash, or temporary cash surplus. It would be folly under those arrangements to build in excessive program obligations, and that is something that we are not doing. We are using the money, as has been said before, for the purpose for which it was intended.

Earlier on, there was a suggestion made that somehow this government was too busy, I think the quote was, with social programs. Well, we also heard today that somehow this government had to learn to say "no". I am sure the suggestion that we were too busy with social programs would cause some of my colleagues to practically fall off their chairs, because there are a great many useful things that can be done on the social side of the ledger, but we do not yet think our economy, with nine percent unemployment, or 10 percent — whatever it is — is yet in sufficient condition for us to bear the costs of many of the things that people are demanding of the government. I say that to our colleague, the Member for Faro, who was today proposing that we incur more expenditures of this kind for a very worthy purpose, I concede instantly, but one which we have to consider in the context of our means.

The proposition from the Leader of the Official Opposition that we were spending too much on social programs instantly begged the question of what it is that we are doing now that he would cut. When the proposition was put by my friend, the Member for Mayo, the Minister of Community and Transportation Services, in respect to the excessive expenditures in the Leader of the Official Opposition's riding, he was called to task by the Member for Porter Creek East who suggested, somehow, that the Member was threatening to cut programs, which, of course, he was not doing. He was inviting proposals from Members opposite to cut expenditures in their own constituencies, something we have not heard them do. I admit, freely, that it would be a very rare thing in any Legislature, anywhere, perhaps, in the Commonwealth in an English-speaking world, to hear Members propose reduced expenditures in their own constituencies.

⁰⁵ The assertion has been made that, somehow, we are entering a handout society, and that handouts are bad. That assertion is made on the one hand. On the other hand, it is asserted that there has been a giant handout from the federal government, and that is good only if it is received by a Conservative government. If it is received by a New Democratic government, then it is bad. I am not quite sure I can follow the logic in that. I look forward to the Estimates in Committee and pursuing that logical proposition with the Leader of the Official Opposition who, I know, is a student of that subject.

The handouts of the kind that are complained about by the Member for Porter Creek West recently were mostly negotiated by the previous Conservative administration with the national Conservative administration or the national Liberal administration. That aside, we should understand that they are part of a very long tradition, going back to the days when a Conservative government gave away half of western Canada to the CPR in order for them to build a railway. I understand it has been asserted that some local

physician was there at the time. I cannot speak for that. He is looking very young for his age if that is true.

While I have Liberals on my mind, I must respond to the intervention of the Member for Faro, who suggested that, somehow, we should hurry up, or should have hurried up and finished the Yukon 2000 project according to our original deadline, even though the vast majority of participants, including the Economic Council, had been begging me to slow the government down and not to move so fast, that we were moving too quickly for them; people needed time to read the material, respond to it, absorb it, study it, consider it. We did that at their request. I am sorry to hear that the Liberal Leader is a dissident on the question of that consensus.

Having just meandered on a bit and responded to some of the suggestions from the Members opposite, I want to come back to quite the most startling assertion by the Leader of the Official Opposition which, I think, we must explore further in debate in Committee. That is his notion of a false economy.

I judge that the false economy of which he speaks is one in which there is a lot of government spending, or in which there is demand created by the public sector.

96 I take it that even though most economies in the free world now have quite significant public sectors, and even though Conservative administrations of one kind or another have presided over the creation of quite a large public sector in the northern territories, that the Leader of the Official Opposition thinks that this is quite a bad thing.

Set against this notion of this false economy is, we imagine, something he might call a real economy. A real economy, I judge from what he has said, is something where you have a bunch of real tough guys running around doing real concrete things and having nothing to do with those wimpy creeps from the government who want to hand them out money and help them and do things like that.

The real economy, I judge from the kinds of things he has said, is the kind of people who are involved in inkly winkling of corporate takeovers, where billions and billions of dollars are spent by one company to gobble up another without creating a single new job. People who spend their time gambling on various stock exchanges and creating absolutely nothing at all except occasionally some money into their own pockets. I gather that is the real economy which he talks about, or perhaps it is the real economy which was experienced by aboriginal people before all these governments and other ventures started arriving in the territory. I do not know.

I think we should deal truthfully with the Yukon economy as it is today. If you, just for a moment, try to imagine what the Yukon in 1987 would be like without government activity, without public sector, without public spending, because I gathered from the Leader of the Official Opposition that he frowns on social services — or the Member for Riverdale South who was arguing today that they should only be available to the needy, essentially the two-class society proposition.

We could logically start by getting rid of all the mounties, the nurses, the teachers, the doctors, the judges, legal aid lawyers, if not all the rest, clerks, administrators, typists who work for the public sector, deputy ministers, the whole paraphernalia. We would end up with no services of a certain kind at all except to a privileged few who could afford to pay for it out of their own pocket, probably no hospitals, no schools. If you continued the logic of this thing and got rid of the highway crews, the highway engineers, the people who run airports and so forth, you would end up with perhaps no highways, no airports.

Pardon me, I missed the last bit of heckling, I wonder if the Member would repeat it.

I am sorry if my speech is interrupting the Member's heckling.

Logically, of course, if we had no highways or no airports, I would guess you would have no mines, no tourism industry, no services. In fact, no modern economy at all.

97 The Member is suggesting that it might also be the demise of one of their favourite MLAs. Be that as it may. As one of the few people around here who has been genuinely self-employed in my life, I am sure I could manage. I do not mean in my current role, of course.

I enjoyed the speeches by the Members opposite, perhaps not nearly as much as I enjoyed the speeches by the Members on this side. This has been a remarkably good-humored debate, if not terribly informative for the public. Almost all of the information that a citizen could want about this Budget is contained in the information we have tabled in the House. Anybody who is confused by what happened here today is invited to contact our offices and we will send them out the written material.

Entirely seriously, I believe that we are pursuing the correct course in trying to be modest in terms of the expenditures plans on the Operation and Maintenance side, while putting what dollars we have available into the Capital side. I concede that the point made by the Member for Riverdale South about long-term planning, especially on the Capital side, is a difficult one. It is one, in an economy such as ours, which has been the victim and subject to the volatilities of international metal markets and other forces. It is one that, should arrangements like formula financing continue for a number of years, will enable us to flatten out the curve and have a more predictable level of expenditure from year to year on the Capital side. That is a good thing. Of course, we always want to be in the position, if we can, to increase public spending, if there is a dip in one of the markets that seriously affect our local economy, whether it is world metal prices or some negative impact on the tourist industry.

Our economy is recovering. We have come a long way. I think we had a remarkable record last year. I am sorry it is not recognized by Members opposite, but I think it is something that all fair-minded Members of the Legislature are entitled to take some pride in.

The situation is, though, that we still have something like nine percent unemployment. That was the last quarter. It will probably be higher for the one that we have come out of, for which the next report will be published. We have a long way to go in terms of diversifying and strengthening not only our infrastructure, but our economy. I believe the expenditure plans of the government are consistent with those goals and will serve those goals well.

I would recommend unanimous adoption of this Budget at second reading.

98 *Motion agreed to*

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chairman: I will call Committee of the Whole to order. Is it the wish of the Committee Members to take the customary evening break at this time?

Some Members: Agreed.

Chairman: We will now recess for 15 minutes.

Recess

99 **Chairman:** Committee of the Whole will now come to order.

Bill No. 58 — An Act to Amend the Motor Vehicles Act — continued

Chairman: We will continue with general debate on *An Act to Amend the Motor Vehicle Act*.

Mrs. Firth: I have had a chance to review the child restraint seating regulations that the Minister gave me from yesterday. I want to make some comments for the Minister before we move into the clause-by-clause debate.

We found it quite interesting that the Minister of Justice brought draft regulations in. I got the impression from the Minister

sponsoring the Bill that it was fairly simple to draft these regulations. I would like to point out the inconsistency that has been presented. I think it would be only appropriate that all the Ministers treated us the same way and brought the regulations forward if they could.

Our concern is that we are going to be passing the legislation. We have already agreed to that. We feel that our authority as legislators is going to be delegated to the bureaucrats, because we do not have the regulations ahead of time to see them. We really will not have an opportunity to have much input into the regulations, once they are drafted. The next time we see them will be when they are *Gazetted*.

I would like to put the Minister on notice that we are finding this unacceptable. We think the public finds it unacceptable from the representations we have had made to us by members of the public. The next time it would be our preference to see the regulations come forward.

Hon. Mr. McDonald: I will not belabour this, either. I can only say that if the regulations were drafted and had been approved by Cabinet, I would be bringing them forward. They are not drafted to the extent that they could even be approved by Cabinet. That will be at least a month, as I indicated yesterday. Therefore, I cannot bring them forward. I would not want to bring forward regulations as discussion points that had not been given some sort of sanction by Cabinet.

The Member did put the point correctly when she said that we should bring the regulations forward if we could. It turns out that I cannot, because they are not drafted.

With respect to the general rule, there are times when regulations are relatively easy to draft. There are times when the workload permits that regulations can be brought forward. At other times they cannot. What is consistent is that, when they are ready and when they have been approved by Cabinet, they will be brought forward.

Mrs. Firth: I am sure the Minister gets my point; I hope he gets my point. It is a concern that we all have. I remember when the Minister was an opposition Member that he had the same concern, so we are not really departing from anything that has been raised in this House before. We are not bringing up some big new problem, and we do not want to cause grief and misery in the Minister's life.

He just indicated to us that the regulations to accompany this particular Bill were relatively simple. I would expect that it would be the Minister's responsibility to arrange the time scheduling so that he could give his department sufficient time to prepare the regulations, the legislation and so on.

I think the Minister has my point, and next time he will make a better effort to get the regulations here for us.

Mr. McLachlan: I have a question I would like to ask the Minister under the provision of exemptions for the safety belt legislation. What about motor homes? I see no reference to motor homes.

Hon. Mr. McDonald: At this time it is felt that motor coaches would incorporate the general rubric of motor homes, the sentiment being that, in things like buses or motor coaches, it is often considered safer. According to testing results, it is often considered safer not to have seat belts worn in vehicles like that. Where it is considered safer is in a smaller motor home, or camper van or that sort of thing, then child restraints would then be required.

Mrs. Firth: Just to follow up on that a bit, what about the new vans that are becoming very popular? Would it depend on what the use of the van was?

Hon. Mr. McDonald: They would not be considered exemptable under these regulations. If the Member is referring to the kind of van that, for example, the Member for Faro owns, it would be covered under this legislation.

On Clause 1

Mrs. Firth: Unless any other Members have any objection I would like to move that we deem the Bill to be read. I do not have any particular questions about any of the clauses.

Chairman: Is there unanimous consent of the Committee?

All Hon. Members: Agreed.

Chairman: There is unanimous consent.

Clauses 1 & 2 agreed to

On Title

Title agreed to

Hon. Mr. McDonald: I move that you report that Bill No. 58, *An Act to Amend the Motor Vehicles Act*, out of Committee without amendment.

Motion agreed to

Bill No. 40 — Gas Burning Devices Act

Chairman: We have three clauses here that have been stood over, the first one being clause 12.

On Clause 12

Hon. Mr. McDonald: I have had a discussion this morning with representatives from the Department of Justice, and they suggested that perhaps the Member for Hootalinqua had been thrown off by the Prohibition title. I do not know what force and effect the word prohibition as a title has. I am assured that it has no legal force, or what is normally contained in Prohibition clauses. But, in any case, the point of the clause here is to ensure that any work that could be dangerous for someone who is not qualified to do the work — any work that is prescribed, it says in the clause — could only be done by a gas fitter. The restriction would be the works that would be specifically prescribed in the regulations, and the power to prescribe, of course, would be contained in Section 19(1)(h). So their view, I guess, is that the concern that had been had — as I say, I am not an expert on legal draughting or what the effect of a prohibition clause or prohibition title is, or to what extent it might have thrown it off — ensure me that the word prohibition itself does not have legal force, in any case, and that this particular clause applies only to work that would be prescribed, not all the work with respect to all gasfitting activities.

Mr. Phelps: I thank the Minister for the explanation. I think we can live with it.

Clause 12 agreed to

On Clause 14

Hon. Mr. McDonald: Again, this is a clause that I have gone over with the department and the Justice officials. I have been told that this is a clause that has been requested by contractors to make it easier for the contractor to get permits. It is a "may" clause. It does not require a contractor to get a licence. A contractor can simply apply for permits on a permit-by-permit basis, if that contractor, each time, can prove that there is a licensed gas fitter to do the work, or the contractor can seek a licence. That licence would make it much easier for the contractor to get permits, because that contractor would be recognized as a company that normally did the work, was reputable, et cetera, and the contractor would not necessarily have to have a gasfitter onstream for a particular job in order to get the permit, but would have the credibility to get a permit without having to go through the other process that other persons who are merely seeking a permit would have to go through.

It is a clause that, I think, would make it easier for a contractor who normally does gasfitting work to do business.

Mr. McLachlan: I just want to follow up on the Minister's explanation. If the supposed contractor is in the business anyway installing gas burning devices, and he/she is licensed by the municipality to perform that business, why would he be after a contractor's licence to contract to do that? There seems to be a double purpose of intent there that is not clear to this side.

Hon. Mr. McDonald: A contractor's licence is not a business licence to do business. This is a licence to do gasfitting work. It is a "may" clause. The contractor does not have to get a licence. The contractor can go to the inspector and get permits on a job-by-job basis. The contractor is going to have to demonstrate to the inspector that there is going to be a gas fitter available to do certain kinds of work. He gets it only once. The contractor has that licence, then the contractor has the credibility and the contractor can get permits on a promise that the contractor will be following the rules as anticipated by this Act.

Mr. Lang: There seems to be more bother, or another hurdle for somebody to go through, but it does not seem to bother the side opposite.

Is it the intention of the Minister to require, in the regulations, people who are in this kind of business and get this kind of licence to get bonding?

Hon. Mr. McDonald: No.

Clause 14 agreed to

On Clause 19

Mr. Lang: On Clause 19(1), I would like to know why they were being so specific in (a) to (g) and then in (h) we ask that anything required in this Act to be prescribed or provided for in the regulations, which gives you a mandate to recreate the second coming if you are required to. Then you go further in (i) "generally, respecting any other matter the Commissioner in Executive Council considers necessary for carrying the purposes and provisions of this Act into effect."

I know that the regulation committee from the House here has complained about the generalities of the regulation-making power which in effect allows you to do anything. I am wondering if the Minister did look at this particular section and ask why these broad powers were requested in this section when you have, from (a) to (g), all these sections required to prescribe the manner that you like, the licencing, the qualifications, all the things that you have asked for in principle in the Bill.

Hon. Mr. McDonald: My understanding is that this is not an uncommon practice and, in fact, it is quite a common practice to provide these sections in the Act. Subsection (h) speaks to the power to prescribe regulations that have been identified as necessary to be prescribed specifically in other sections of the Act.

Subsection (i), I understand, provides authority to deal with unforeseen details by regulation within the limitations of the Act. It is my understanding that this is quite a common practice, and I recall, with other legislation, this same sort of regulation-making power having been incorporated into the regulation-making section.

Mr. Lang: If it is so common place, how come it was not in the Act that was just passed, *An Act to Amend the Motor Vehicles Act*, because you have not got the regulations made and you know exactly the specific areas you are going to make the regulations in. It is a bill.

Hon. Mr. McDonald: The Bill you were just speaking to are amendments to an Act. They do not include the regulation-making section because that is already embodied in the Act itself.

Mr. McLachlan: I have one question. Because of the nature of this type of Bill, which is preservation of life and safety, I would like to direct a question to the Minister of Justice. If an installation that is passed by the government is okayed, and later a fire or explosion results from the same, can the government be held liable or incur legal liability for loss of life or property damage with this type of Bill?

Hon. Mr. Kimmerly: No, not in the general sense, although my answer should not be taken as legal advice pertaining to any particular situation which may arise in the future.

Clause 19 agreed to

On Title

Title agreed to

Hon. Mr. McDonald: I move that you report *Bill No. 40, entitled Gas Burning Devices Act*, out of Committee with amendment.

Motion agreed to

Bill No. 77 — Lottery Licensing Act

Chairman: We will go on with Bill No. 77, *Lottery Licensing Act*, general debate.

Hon. Mr. Kimmerly: When we were last debating this Bill, I picked up my ball and went home, so to speak. We were talking about the general policy concerning allowing some lottery schemes, and I was being specifically asked about my opinions on that.

The answers I gave last sitting are the same answers I would give again. Those things are in fact covered by the *Criminal Code* and it is not within the legislative jurisdiction of this Assembly to actually speak about those particular issues.

The principle here is a simple principle. It is to take the power to issue licences out of the hands of a civil servant and to put it into the hands of a board of citizens. Let me be very clear about why we

are doing that. I will be quite up front. It is my genuine hope that the citizens will take, especially in smaller communities, a more practical and a less rigorous view of the law and will not apply the law in a clerical way, but will apply some judgement to the applications that they may get, in order to comply with the federal law, as it is stated in the *Criminal Code* and, at the same time, accommodate the community standard in allowing for some gambling.

Mr. Lang: Is the \$15,000 that it is going to cost to run this Board in the Budget that is before us to be considered later on?

Hon. Mr. Kimmerly: No, it is the estimation of the department that the financing of the Board and the continuous financing of the application procedure is not \$15,000, but approximately \$18,000. That is not in the Justice budget in the upcoming year. There are two ways to solve that problem: to try and get it in on a supplemental, or to finance it entirely out of the fees that will be charged to the people who get licences — essentially a user-pay — but the users will ultimately be the purchasers of the lottery tickets and the like. That is a distinct possibility. I would appreciate the Members' views as to the two possible ways that this could be financed.

Mr. Lang: I would like to hear the views of the Minister of Justice. It is his Bill.

Hon. Mr. Kimmerly: Prior to going to Management Board for any particular approvals, which, I emphasize, have not been granted, it is my preference to have the administration financed not by the general taxpayer, but by the people who actually get the licences; that is, through the licence fees.

Mr. Lang: Obviously, the Minister has looked into this. What would this do to somebody who was applying for a licence?

Hon. Mr. Kimmerly: I do not know specifically, and I would not take the matter to Management Board without actually knowing that. It seems to me that the appropriate scheme is that the licence fees could be a percentage, and it would be a very, very small percentage, of the amount of the potential ticket sale. The reason for that is that for small lotteries, it is appropriate, and it is a more sensible burden on local charities to have a small fee and for large lotteries, which are the ones that involve the necessity for accountants and supervision — for example, the Sourdough Rendezvous Queen Contest — to pay a larger fee.

The fee should fluctuate and should be very, very low for the minor lotteries such as quilts or grocery baskets, or things like that. There should be a small fee, and I am in favour of a percentage of the ticket sales for the larger lotteries, which would mean, if the lotteries expanded, that the percentage, in fact, would go down a bit.

Mr. Lang: Have these organizations been consulted in view of the decision obviously contemplated by the Minister?

Hon. Mr. Kimmerly: No. The Minister has not made a decision; I was asked for my view, and I gave it. I was very clear to say that a decision had not been made. I am interested in all Members' views on this question.

Mr. Lang: I am a little confused. We have been told that it is going to cost \$18,000. We have been told of our options. For example, in view of obviously the research the Minister has done, what would it cost the Rendezvous organization to have a lottery. I am sure you have done your homework for the last three years so you know what it would cost. Would it cost a couple of thousand dollars, because that is considerable for an organization of that kind.

Hon. Mr. Kimmerly: I do not specifically know. I do know that the total administration cost of the new board, including all of the applications and supervision, is approximately \$18,000 a year. A portion of that is an extrapolation of civil servants' time in supervising these kinds of things.

The government is now doing it, and with a new scheme, a community board, there will be some additional costs and it is a question of how that is funded. It can be found in the budget, or voted in a supplemental. It is a relatively small amount and it would probably be found in the budget, or it could be financed by the fees that the applicants pay, especially the successful applicants. That is my preference, as that would mean, ultimately, that the costs would

be passed on to the people who actually buy the tickets, which seems to me more appropriate than passing on the costs to the taxpayer.

Mr. Lang: First of all, my understanding is that the administration is already doing the work. I do not understand why this Board, by itself, is going to cost \$18,000, unless they are sitting every day, and you have to pay them an honorarium. How much money is built into your present budget for the purpose of doing what you are now doing without the Board?

Hon. Mr. Kimmerly: I do not specifically know. The confusion is that the additional expense of the board is not \$18,000. The total expense of the administration of lotteries under a board is estimated to be \$18,000.

The expenses now would be an extrapolation of some portion of civil servants' time. We could estimate the expense of the Queen's Printer for forms. I will make a guess that it is somewhere around \$12,000 to \$15,000 or so. That is a fairly rough guess.

Mr. Lang: Is it not fair to say this \$12,000 to \$15,000 that we are talking about is presently in your budget. The civil servant that we are talking about is presently being paid, is he not?

Hon. Mr. Kimmerly: Yes.

Mr. Lang: Is it safe to say that we are actually talking about approximately, being conservative, \$4,000 that you are going to need for the actual per diem for the board? Is that not correct?

Hon. Mr. Kimmerly: Yes.

Mr. Lang: I do not understand why we would be going through the exercise of charging all these organizations and the paperwork required to receive the money. We will need extra a civil servant when it is all finished to collect the money. It is going to turn into a monster for you.

From my side, I look at this and say, surely within a \$6 million budget you can find \$4,000. You might be able to find it within your travel expenses. Stay home from two trips and you pay for it. This is a constructive suggestion.

Hon. Mr. Kimmerly: I now have the Member's view, and I thank him for that.

Mr. Lang: I am sure the new Canadian Airlines appreciates my views on that as well.

Mr. McLachlan: Unless I am misreading it, because the provision is in the regulations about no organization being given a licence to run a casino for more than three days at a time, what do you do with the Klondike Visitors Association running Diamond Tooth Gertie's?

Hon. Mr. Kimmerly: Diamond Tooth Gertie's is licensed every year specifically by the Minister of Justice. Speaking diplomatically, I think the reasons for that are that the civil servants feel some nervousness of the strict legality of the licence, but I feel no such nervousness so I will sign it. That is essentially a special case, and I would expect that there will be no impact on that licence from this particular Bill.

Mr. Nordling: I have been looking through the Act, and it is clarification or explanation I am looking for. I noticed that there is no provision for appeal. It appears the Board's decision is final. The most that a rejected applicant can get is, I believe, under Section 8, written reasons. I notice that the definition of charitable organizations is contained in the Bill. I just wanted to hear from the Minister as to whether any thought was given to putting some form of appeal in. I thought perhaps an organization that may be rejected as not being a charitable organization would want to dispute the Board's decision on that.

Hon. Mr. Kimmerly: There was considerable discussion about providing for an appeal to the Executive Council Member, which was a proposal at one time. That was rejected as it could potentially politicize the situation, and there could be an appeal to the courts about the jurisdiction and whatever, but the intention is that the decision of the Board be the final decision, pending any application to a court.

Mr. Phillips: The Minister asked us for some of our feelings on the types of licenses and the costs of licenses. I would like to make it clear that from my perspective, and I have been involved in a great many volunteer organizations in the territory a great many times, you are talking about a percentage of the profit for the

licence, the idea you were discussing earlier. What I am concerned about is some organizations who were terribly strapped for money may make a decision to hold one larger lottery instead of half-a-dozen smaller ones in one year. I think it would be a shame to penalize these people with the much larger fee if they make a larger profit. They may only hold one a year, and there are some groups that do that. They raffle a truck or something larger. Most of these groups are charitable organizations, and these funds go to very worthwhile things. I think it would be unfortunate to see the government try to take advantage of the charitable groups that are trying to do these types of things. I will leave that with the Minister and express my feelings. I think the fees should stay low for all lotteries.

Mr. Lang: We are at a little bit of a disadvantage here. I do not mind being consulted and listened to, but I would like some assurances. Could the Minister give my colleague, the Member for Riverdale North, assurances that it would not be the intent, in view of the small amount of money that we are talking about, of the government to put basically a sales tax on lotteries?

Hon. Mr. Kimmerly: I will clearly, and even forcefully, say that it is not my intent to put a sales tax on lotteries in any way, shape or form. The only concern I have is in the administration of lotteries. On the larger lotteries there are administrative costs about the supervision of larger lotteries. It is unfair that either the general taxpayer or the people sponsoring smaller lotteries bear those costs. If the costs are very similar to the current costs, we are probably not looking at any increase of fees of any kind. However, if there are increases of fees, it should be borne on the larger lotteries rather than the smaller ones, but we are not looking at raising revenue on this kind of scheme. It is only administering the necessary supervision to protect the consumer against potentially mismanaged lotteries.

Mr. Lang: I am sure that if I could I would read what the Minister has just said now that left the option to do anything he wanted with respect to the situation that we have here as far as the *Lottery Licensing Act* is concerned. All I have asked is for the Minister to give us an assurance that it is not the intention of the government to levy a percentage tax on lotteries in view of this Bill coming forward. That is all that we are asking. I would like a yes or a no; I do not want a big convoluted answer.

Hon. Mr. Kimmerly: Yes, that is not our intention.

Mr. McLachlan: Unless I misinterpret the Minister's earlier remark about Diamond Tooth Gertie's, there would be provision in the legislation and regulations to pay for the entire thing by a one-time levy against that establishment: Twenty-five dollars for each table in the casino to be run, plus one percent of the revenue generated from the games of chance. Do I then interpret the Minister's remarks that this particular Bill will not apply to the one-time gambling situation in Dawson City? If you look under Section 4 of the regulations, it very clearly specifies the fee for a casino, and it is substantial.

Hon. Mr. Kimmerly: It is my understanding that this is to apply to lotteries, and not to the institution known as Diamond Tooth Gertie's. The Member opposite mentions Section 4 of the regulations. We tabled a series of three regulations or schedules. I was looking at Section 4 of all of them. I am unsure of exactly what the Member means.

Mr. McLachlan: Point of order. I meant Article 5, Section 4, on Schedule C under the regulations.

Chairman: There is no point of order. It is a clarification and assistance to the Minister.

Hon. Mr. Kimmerly: I believe the whole of Schedule C applies to casinos. I may have been inaccurate. For that, I apologize. It is my very clear understanding that the licence in Diamond Tooth Gertie's will continue. I can assure the Member that, if it did not continue, it would only be because it was revoked for some reason.

I have personally spoken to gambling experts in the RCMP who have assured me that the situation at Diamond Tooth Gertie's is within the limits of the *Criminal Code*. I am not anticipating problems about that licence.

Mr. Phillips: With respect to the regulations, will an organiza-

tion be able to run more than one lottery?

Hon. Mr. Kimmerly: Yes. There is nothing in my reading of the regulations that disallows that, and so if it is not disallowed, it is allowed.

On Clause 1

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

On Clause 4

Clause 4 agreed to

On Clause 5

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

²³ *On Clause 7*

Clause 7 agreed to

On Clause 8

Mr. Phillips: On Clause 8(2), I am wondering why, if the Board has made a decision with an organization to refuse the licence, does it take 45 days for the Board to respond in writing. A lot of these organizations may be holding a seasonal raffle, and it may be something minor they can adjust right away. Should not the Board be required to respond in writing immediately so the organization can amend its licence?

Hon. Mr. Kimmerly: The reason for the time period is that this is something the Board would do after being asked to do it. It is contemplated that the Board would meet probably once a month or so, but certainly not every day or week. It is clear that if the Board received a notice, they would give the reasons, I would expect, after the next meeting. We put the time period in here only to be relatively safe. It is contemplated that the Board would meet once a month, or approximately once a month.

Mr. Phillips: This is going to create all kinds of problems for organizations. As I have said, I have been involved in several raffles. We have had applications turned down for various reasons, and if the Board only meets once a month, then the window of opportunity with a seasonal type of raffle is finished. Sometimes organizations have things given to it or comes across something that can be used as a raffle prize to raise some money for your organization. It is not something that happens over six months. It might be something that someone donates or gives to you this week or next week and you can have a raffle. If you get turned down and the season goes by, it is six months or a year before you can have it again. Should there be some clause here that a response has to be written right away to the applicant so the applicant can resubmit his application and get clearance immediately?

Hon. Mr. Kimmerly: I would point out that this is a requirement of the Board to give reasons. Under the present situation, there is no such requirement for reasons, so this is an improvement or an improved service to the people applying. The wording could have said "as soon as possible" or "as soon as practicable" and in any event, "within 45 days", but that would only add extra words and be slightly more confusing.

²⁴ A substantial effort was made in the drafting of this Bill and the regulations to keep it simple and short for the specific reason that we knew that charitable organizations would probably be reading the Act and the regulations. They are, by and large, lay people. We made an effort to keep the Bill as short and simple as possible.

The Member has a good point about the timeliness of reasons. I can only defend the Bill by saying it is really quite obvious if the board is meeting once a month. If the past decisions or the reasons from one meeting to the next probably would not make the 45 days. Consequently, it practically means it would be at the next meeting of the Board.

If the Board meets in an emergency meeting, which they may do from time to time — it is up to the Board — the decisions would come out much faster. In order to practically get rural representation on the Board, it is probable that they will not meet oftener than once a month, except in unusual circumstances.

Mr. Phillips: I understand what the Minister is saying, but it

still does not solve the problem. Before decisions were made by bureaucrats, and the government almost immediately contacted the organization in writing or by phone, and they would solve the problem. Once the Board has decided that the organization's application is not acceptable, it would then put it in writing, send it to the board immediately — it could do it at that meeting, it could be on the direction of the Board right at that meeting — they would know the reason then why it was not acceptable, they could put it in writing and send it off to them. They would get it within four or five mailing days and would not have to wait 45 days for them to sit down. Why could it not be automatic? If you are refused a licence, it is automatically sent to you in writing. It seems to me that that would solve the problem.

²⁵ **Hon. Mr. Kimmerly:** I would expect that is exactly what will happen. That would be my expectation. The reason for Clause 8(2) is to acquire written reasons if they are asked for by the applicant, and that may be the situation where the ruling as to the charitable status or something like that is disputed or is controversial.

However, in the normal course of events; if the form was not filled out properly, or something like that, I would certainly expect the communication to be immediate. I would certainly expect that the Board, in turning down an application, will have a reason for turning it down and will communicate that if it can be communicated in a few words or possibly over the phone or something like that. I would hope that is the practice that actually will be followed.

Mr. Phillips: Again, I understand what the Minister is saying, but to me it just seems so much simpler that if the Lottery Licence is denied and after it is denied — if it is for something minor — of course they phone the organization who applied and they say, "Look, you forgot to number your tickets or you forgot to do something else." You let them know right away. But if it is something a little more serious, why does the Board have to wait for a response from the organization? Why is it not incumbent on the Board, as soon as they make a decision, to put it in writing and phone the applicants and tell them that there is a letter following and the licence has been denied so they know right away; they know the reasons why and the letter is in the mail. It seems to me that it would be so simple.

Now we have to have the organization who are mostly volunteers, and sometimes it is difficult to get the secretary, the treasurer, the executive together, and say, "They turned us down because we have not done this, we have done that, we have not done that." They have to call the meeting, get together, and by the time all this is done and the Board has not responded for 45 days, forget the lottery. It is not worth holding it. It just seems to me that if the Board refuses it, then write them a letter. It is pretty simple.

²⁶ **Hon. Mr. Kimmerly:** That is exactly the procedure that I would expect the Board to follow, but I will make the commitment that I will personally ask for a report. I will make a note of it now and diary date it for six months or so after this is in operation, and ask if there is any problem at all. If there is, we will find a way to fix it. I am not anticipating any problems.

Mr. Lang: Why do you not say it in the legislation? We are making the law. Make it a requirement of the law. Make an amendment. Believe it or not, you are not going to be there forever, and your diary is not going to be much good to the next guy who comes along. If it is in law, then it will live on after you.

Hon. Mr. Kimmerly: The alternative that I am thinking about is to require, in the legislation, the board to give reasons every time it refuses a licence, which can be done. The practical effect will probably be that the board will have something like a form letter and send off shortly stated general reasons after every refusal. That would possibly be done anyways. It is certainly a possibility. I have no objection to that.

The policy here is contemplating the difficult situation where there is a controversy about whether the application should be accepted or not in the more unusual circumstances. It seems to me appropriate that the Board be required to specifically give its reasons. This will accomplish that.

It is my expectation that if we require reasons for every decision, it will be done as a matter of course by something like a form letter. That is not as good as what we have here.

I feel strongly about all of this. I am not going to ask to stand it aside, but I will not oppose the Members opposite asking to stand it aside. I am not going to propose an amendment but, if the Members opposite care to, I am sure it will not be hotly debated, as it is not a great partisan issue between us.

Mr. Lang: I cannot see why this section cannot be set aside so we can get an amendment. I have one question of the Minister. In the present system that we work in, how many applications are turned aside on the average in any given year?

Hon. Mr. Kimmerly: I do not know the figures precisely, but a fair number. There certainly are a good number turned down and reasons are given.

Mr. Phillips: I would like to amend it. Maybe we should have a short recess while we amend this clause.

Hon. Mr. Penikett: I have some painful experience with drafting amendments within a 15 minute time period and then discovering some problems with them later. Can I suggest that maybe the prudent course would be to report progress on the Bill and then to return to the matter tomorrow having thought about the amendment carefully. In view of the hour, that may be the sensible thing.

Mr. Lang: I move that we report progress on Bill No. 77.
Motion agreed to

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

Motion agreed to

Speaker now resumes the Chair

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

Mr. Webster: The Committee of the Whole has considered Bill No. 58, *An Act to Amend the Motor Vehicles Act*, and directed me to report the same without amendment.

The Committee has considered Bill No. 40, *Gas Burning Devices Act*, and directs me to report progress on the same with amendment. Also, the Committee has considered Bill No. 77, *Lottery Licensing Act*, and directed me to report progress on the same.

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

Some Members: Agreed.

Speaker: I declare the report carried.

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

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

Motion agreed to

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

The House adjourned at 9:20 p.m.

The following Legislative Returns were tabled April 1, 1987:

87-3-49

Disposal of 21 chairs from Porter Creek Junior High School (McDonald)

Oral, Hansard, pp. 650, 652, (Feb. 9, 1987)

670 (Feb. 10, 1987)

Contracts and other matters pertaining to the Joint Commission on Indian Education and Training (McDonald)

Oral, Hansard, pp. 609, 670 (Feb. 4, 1987)

709-712 (Feb. 12, 1987)

