



The Yukon Legislative Assembly

Number 81

3rd Session

26th Legislature

HANSARD

Monday, April 6, 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 Penkett	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

LEGISLATIVE STAFF

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

Whitehorse, Yukon
Monday, April 6, 1987 — 1:30 p.m.

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

Prayers

DAILY ROUTINE

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

TABLING RETURNS AND DOCUMENTS

Speaker: I have for tabling the report of the Chief Electoral Officer under Current Donations to Political Parties During 1986.

Hon. Mr. Penikett: I have for formal tabling the Yukon Government's Annual Report.

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

PETITIONS

Petition No. 8

Clerk: Mr. Speaker and hon. Members of the Assembly, I have had the honour to review a Petition, being Petition No. 8, of the Third Session of the 26th Legislative Assembly as presented by the hon. Member for Tatchun on April 2, 1987. This Petition meets the requirements as to form of the Standing Orders of the Yukon Legislative Assembly.

Speaker: Accordingly, this Petition has been received.
 Introduction of Bills?

INTRODUCTION OF BILLS

Bill No. 27: First Reading

Hon. Mr. Kimmerly: I move that Bill No. 27, entitled *An Act to Amend the Workers Compensation Act*, be now introduced and read a first time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 27, entitled *An Act to Amend the Workers Compensation Act*, be now introduced and read a first time.

Motion agreed to

Bill No. 75: First Reading

Hon. Mr. Kimmerly: I move that Bill No. 75, entitled *Nursing Assistants Registration Act*, be now introduced and read a first time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 75, entitled *Nursing Assistants Registration Act*, be now introduced and read a first time.

Motion agreed to

Speaker: Are there any Notices of Motion for the Production of Papers?

Notices of Motion?
 Statements by Ministers?

MINISTERIAL STATEMENT

International Porcupine Caribou Herd Management Agreement

Hon. Mr. Porter: I would like to update the Members of the Assembly concerning the position of the Porcupine Caribou Herd Management Board on the draft international agreement. As I told the House during Question Period two days ago, I had circulated the draft agreement for comment to interest groups, MLAs and the Management Board, and that I wished to receive their considered

advice before deciding a final position. I also mentioned that the Board was meeting in Old Crow last week, and I hoped to be advised of their position very quickly, which I have received. I would like to read the text of their resolution.

Speaker: I quote from the resolution:

"Be it resolved that the Porcupine Caribou Management Board recommends to the Ministers the early ratification of the draft agreement, noting however that the Canadian government should formally register its concern about the omission of specific habitat protection measures and that these deficiencies be addressed through a timely required review of the operational effectiveness of the Agreement, with a view to modifying the agreement as appropriate and with particular reference to habitat protection and management provisions of the agreement."

I have often stated that the Board's advice was going to have a heavy influence on our position on the Agreement. I want to announce today that I will endorse ratification of the Agreement and, to this end, the Government Leader will be forwarding to the Minister of External Affairs our decision in writing.

It is very important, however, to point out to the Members opposite and to the media that the United States government has not ratified the agreement. Similar to ourselves, they are still discussing the version of the Agreement that was initiated by the negotiators. My understanding on that particular score is that the Anchorage office of the Department of the Interior is presently moving towards conducting community visits in the United States, particularly in Alaska, with those communities affected, and that ratification by their government will not, in all probability, take place until May.

With respect to our government's ratification, that process is expected to culminate in an Order in Council in the month of June. Similar to ourselves, as I stated, they are still discussing the agreement within their particular jurisdiction and, hopefully, we will have the issue agreed to between the two countries by the end of June.

It is also important to stress that we believe that the habitat provisions of the Agreement could be improved and, therefore, the Caribou Board's suggestion of a timely review of the Agreement is a good one. We will be presenting this idea to the federal Minister and the United States government, as well. This will have to be undertaken in a manner that does not jeopardize the entire agreement, so we will need to negotiate mutually agreeable terms for such a review.

Notwithstanding our intent to ratify the agreement, I would still like to have the benefit of the views of the other groups whose opinions I have requested, which includes, of course, the Members opposite, which I have heard a great deal of in the last week. We need to finish our assessment of the policy issues that are having an influence on the US position, and all Yukoners' views will be valuable in designing a final strategy.

I am also informed that the final environmental impact statement on the Arctic National Wildlife Refuge will be released shortly and the EIS will provide insight into the degree of compromise that may or may not have occurred following the strong negative reaction to the draft statement. We are preparing a strategy to deal with all potential outcomes of the EIS, and I would add that in the past several weeks the Department of Interior's work has been severely criticized by another US federal agency, the Environmental Protection Agency. They stated that the draft EIS was deficient in a great many respects. In addition, the US National Wildlife Federation produced its report and stated that the proposed drilling in ANWR and the poor evaluation of the negative effect of drilling was an "abrogation of the agency's responsibility to the American people".

These sorts of criticisms will not be taken lightly in the United States and could have a bearing on the final EIS document and on the willingness of the US government to eventually take a different position on the habitat provisions of the international agreement.

With these comments in mind, I would like to indicate my pleasure in making this announcement. On balance, I am encouraged that we are taking an important step toward a major improvement in the protection of the Porcupine caribou herd.

Speaker: I quote from the resolution:

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

QUESTION PERIOD

Question re: Freshwater fisheries, transfer

Mr. Phelps: I have some questions related to the negotiations that are apparently ongoing with respect to the transfer of freshwater fisheries from the federal government to the Government of Yukon. I have read in one of the local papers that our government's position is that there are eight biologists required to manage this resource. I am wondering if the Minister could tell us how the government came to this position?

Hon. Mr. Porter: Obviously that position was a position arrived at through internal discussions in the Department of Renewable Resources. With respect to the comment the Member made about eight biologists, that is an invalid and uninformed comment. In fact there are not only biologists but other personnel required.

Mr. Phelps: I guess sometimes one cannot believe everything one reads in the local press. It did say biologists. Perhaps the Minister could enlighten us as to what kind of person years his government is negotiating so carefully about.

Hon. Mr. Porter: The number of personnel that the Member quotes is correct. In our previous discussions with respect to the budget of the Department, I made the position known publicly as to what it is we require by way of resources, and that included eight person years and \$1 million as a figure we had put on the table. As to the specifics of the question as to the breakdown as to what each person year represents, I will undertake to obtain that information for the Member.

Mr. Phelps: We understand that a senior official from Renewable has been travelling to Ottawa on this item for the past several months. Could we be advised as to exactly when this government started negotiating with respect to this important program transfer?

Hon. Mr. Porter: I will get a chronology of the events on this specific question related to the negotiations and make that available, as well.

Question re: Freshwater fisheries, transfer

Mr. Phelps: Given the position of this government that we require this huge increase in person years to adequately manage the resource, would it be this government's position that because we have had one person year — and sometimes a half a person year — over the past many years, that the present management being done by the federal government results in a situation where the freshwater fisheries are being jeopardized and depleted?

Hon. Mr. Porter: I think that that is a fair characterization of not only this government's position, but I think the Members I have talked to in the Opposition share that viewpoint. I think that the public of the Yukon feels that the federal responsibility in freshwater fishery management is not being provided, that there is a real lack of management and resources, and that situation has to change. I think that that, to a large degree, accentuates the position that we have put on the table. We have said this resource has not been managed. We think it has to be managed properly, and here is what we think it takes, by way of resources, to be able to effectively manage the resource for Yukoners.

I think, in summation, the point of view that the Member articulates here is one shared by many people in the Yukon, including this government.

Mr. Phelps: Given that that is the position of the government and of some private citizens around the territory that the resource is in bad shape now because of an inadequate management regime, and getting worse, aside from the negotiations that have taken place over the past little while, what representation has the Minister made to the federal government with respect to rectifying the situation, so that the resource could be properly managed by the federal government?

Hon. Mr. Porter: As of two weeks ago, I had an opportunity to speak to Mr. Siddon in Ottawa. It was not a formal meeting. We did meet in the corridors of power surrounding the First Ministers

Conference process. We did discuss this issue. Again, I pointed out to him that we are serious about the transfer; we want it to happen, and I invited him to the Yukon. Unfortunately, he could not give a commitment as to when he would be able to make it.

The best I could do to get a commitment from him to have his personal attention paid to these negotiations, is to arrange a meeting in Vancouver that would be convenient to both of our schedules. That is where his riding is. He does come back occasionally to Vancouver.

Outside of that, officials of the Department of Renewable Resources, over the past few years, have done considerable work. They commissioned the Paish Report, which gave a very accurate overview of the fishery management in the Yukon. We have pushed that with respect to the federal government. We sent members of the Yukon Fish and Game Association and members of the fishery industry to a national conference. We encouraged them to speak out.

I think that this government has a good record of putting its concerns forward and arguing for responsible management of that resource in the Yukon.

Mr. Phelps: Given the present deplorable situation regarding fisheries and given what seems to be a standoff in the cadillac budget that this Renewable Resource Minister seems to be demanding of Ottawa, would it not be better to obtain the resource with a realistic budget from Ottawa, even if it has to be supplemented from time-to-time with Yukoners' money, in order to carry on and try to rebuild the freshwater fisheries in the Yukon?

Hon. Mr. Porter: I can see exactly what the Member is driving at with respect to a stated compromise. I would agree with the Member if Ottawa came to the table with a reasonable agreement that did not meet all our demands, because we go into these negotiations not expecting the world, but we expect a reasonable offer. To date we have not had what we consider a reasonable offer from the federal government. I understand the federal government is in a general mindframe of restraint, but we have adopted the principle that we should not accept a transfer from the federal government for simply the process of getting an agreement for transfer. We think that the responsible attitude is that any transfer that we take from Ottawa should be a benefit to the people of the Yukon, and should be comparable to what other Canadians in Canada receive.

Question re: Legal education

Mr. McLachlan: I have a question for the Justice Minister.

Has the Minister as yet made a decision on the disposition of some \$70,000 from the federal Department of Justice for legal education in the territory?

Hon. Mr. Kimmerly: No, I have not. I have not even determined as of yet if it is possible for me to make the decision or if it is necessary to get either a Cabinet or a Management Board decision. I will not know that until the terms and conditions surrounding the federal monies are specifically known to me. I hope to know those terms and conditions this week.

Mr. McLachlan: I am somewhat disappointed, since that communication was transmitted from Ottawa on Thursday afternoon. Has the department at any time considered doing the task of legal education itself?

Hon. Mr. Kimmerly: The department does do legal education in various forms. In fact, this is the statutory mandate of a number of parts of the justice system. The police do substantial education. The department maintains a library and a librarian and has a number of general legal information campaigns.

Over the past year, we spent considerable amount of money on public information about human rights. There are many forms of education, and the department has been, and will continue to be, involved in this field forever, I expect.

Mr. McLachlan: Has the department ever undertaken any studies to determine how effective the Yukon Public Legal Education Association is in doing its work?

Hon. Mr. Kimmerly: No, I believe not, although the federal government did exactly that as an evaluation of the Yukon Public Legal Education Association. That report is available. Certainly, I

have seen it, and there is no secrecy about that particular report.

Question re: Lottery Commission

Mr. Lang: I have a question in respect to the turn over of lotteries from the Sports Yukon to be now managed by the government. The Minister stated at the time that the reason was because of the desire of many groups to have a fair allocation of retailers' licences. At that time the Minister gave the commitment that he would report back to his House how many organizations had applied for retailers' licences and how many had been turned down. Could he report that information to the House?

Hon. Mr. McDonald: The Member suggests that the lotteries will be managed by the government. They will be managed by the Lottery Commission. I did not bring the information that I do have with me today, but with the caveat, of course, that the applications for retailers' licences went to managers, not to the Lottery Commission — the managers being Sport Yukon and Arts Council.

Essentially, the information that we would seek would have to come from them and be verified by them.

Mr. Lang: Do I take it that the Minister has the information and will bring it back tomorrow?

Hon. Mr. McDonald: As much information as I can get, I can table tomorrow.

Mr. Lang: Further to my question with respect to the issue of lotteries and the cost associated therewith with the arbitrary decision by the government, could the Minister report back to the House as to the cost of the lotteries report, whether or not the contract was tendered out or was an invitational tender, and also the Minister made the commitment that he could provide a copy of the actual contract itself. He was going to table it in the House, and I wondered if he had it today to table?

Hon. Mr. McDonald: I do not know if one could characterize the decision by the Lottery Commission of over a year ago to review management of the lotteries and ultimately their recommendation to assume management themselves as their statutory right as arbitrary, but let me say that I will attempt to table the information that the Member seeks tomorrow, as well.

Question re: Lottery Commission

Mr. Lang: Over the course of the debate of the change in the management of lotteries, and taking them away from Sport Yukon and the Yukon Arts Council, the Minister was very vague about where the costs of running the lottery was going to be taken from, whether they were to be taken from general revenue or the proceeds of the lotteries. Who will pay for the management of the lotteries in the new scheme put forward by the government? Will it be out of general revenues or out of the proceeds of the Lottery Commission itself?

Hon. Mr. McDonald: The scheme is not being put forward by the government, it is being put forward by the Lottery Commission. I do not remember being vague on that point, I remember being quite specific. The costs for the management of lotteries themselves will be borne by the revenue achieved through the sale of lottery tickets, as it currently exists now.

Mr. Lang: I see the first move with any change in government is to get a new office and make renovations. Could the Minister report to the House on how much the new renovations for the new office for the Lottery Commission is going to cost? How much of the cost of the new furniture is going to be borne by the profits of the Lottery Commission, and on an annual basis how much the new office space is going to cost out of the profits of the Lottery Commission?

Hon. Mr. McDonald: I do not know if there will be any incremental increase in the costs beyond the existing lottery office and the existing furniture that people use to manage the lotteries. If there is an incremental increase then I will report it to the Members. I will also report as to the exact office costs as they do exist or as we anticipate they might exist in the future.

Mr. Lang: Under the previous system between Sport Yukon and the Yukon Arts Council, the cost of personnel for the purposes of management of the lotteries' administration was approximately one person's salary, which amounted to in the neighbourhood of

\$27,000. I notice in the newspaper that there are a number of jobs being advertised for this government takeover, and the cost of managing the lotteries now will amount to approximately \$45,000 for a general manager, \$31,000 for a coordinator and \$27,000 for a secretary, for a total of \$103,000. Could the Minister explain to this House how this will be more cost-effective for the people of the territory in view of the fact that there is such a discrepancy in the cost of administration?

Hon. Mr. McDonald: I cannot verify the base figures that the Member mentions. I will not even take them as a basis for fact because I am not sure they are correct at all. But, in any case, the Lottery Commission itself will be managing its own affairs, not only the management of the lotteries but also the review of applications that come in on an ongoing basis. There has been a large measure of concern, historically, that the Recreation Branch staff have been, in essence, doing secretariat work for the Commission, putting undue pressure on the Recreation Branch and also diverting its attentions from much needed work elsewhere. The Lottery Commission, to cement the fact that it is independent of the government, wishes to assume its rightful role in the assessment of all applications as well. I presume that would be another reason for the personnel that it would take on. The personnel costs, of course, would be borne through the proceeds of the sale of lottery tickets.

Question re: Lottery Commission

Mr. Lang: Just for clarification and the record, so everybody is fully aware of this cost-effective method now of managing the lotteries that has gone from \$27,000 to \$103,000 — and I should point out these figures were taken from public advertisements for the jobs, so these are not figures that I have just dreamt up in the middle of the night — I would ask the Minister, in view of the fact now that there will be \$80,000 less, approximately, available for various groups to get grants from the Lottery Commission that will now have to be paid for the administration of the Lottery Commission, is it still his position that the administration of the Lottery Commission — the new bureaucracy within government — will be paid out of the profits of the lottery proceeds as opposed to general revenue?

Hon. Mr. McDonald: There is nothing the Member has said in the last two minutes which would suggest that there should be a change in government policy right now; nothing at all. The basic assumptions the Member makes about the financing of the management of the lotteries are assumptions that I will have to check, on behalf of the public, because simply the statement of those costs in the House is something that has to be verified.

Secondly, I would suggest, too, that there are other roles and responsibilities being assumed by the Lottery Commission, as was anticipated, ultimately, when the Lottery Commission was established in the first place. Those things taken into account, I think, as a basic proposition, might justify why the Lottery Commission is doing what it is doing.

Mr. Lang: I find it astonishing that the Minister would stand here and say he has to verify these figures, which are available to anybody who reads newspapers.

When the Cabinet made the decision that the government was going to take over the management of the lotteries, as opposed to the non-charitable private organizations that were doing the job, what figures were presented to him with respect to the cost of administration as opposed to the way it was previously administered?

Hon. Mr. McDonald: The basic premise is something that I have to respond to. It is the only thing I can respond to. The government is not taking over lotteries.

Mr. Lang: Could the Minister clarify what figures were presented to him, the Minister of Recreation, as to what the costs of the management of lotteries would be with respect to the profits of the lottery proceeds?

Hon. Mr. McDonald: There was a general picture provided with respect to the costs associated with operating the lotteries, not only operating and managing the lotteries, but also performing the role that the Lottery Commission saw itself undertaking, totally independent of government — not only from the political level, but

from the administrative level. That increased responsibility was also incorporated into their figures.

In terms of the actual management of the lotteries, they did not anticipate any significant increase at all in the costs of managing the lotteries themselves.

Question re: Lottery Commission

Mr. Lang: When you are the government, what is \$80,000?

In view of the staggering increase for the costs of the management of lotteries, which is public information, could the Minister tell Members of this House how many more tickets will have to be sold in order to pay for this \$80,000 increase in management fees, in order that the organizations that depend on grants from this body will get the same amount of money as they did in previous years? How many more tickets will have to be bought by the public in order to offset this increase in administration?

Hon. Mr. McDonald: Once again, I will have to verify the Member's figures. They are hardly fact. As far as I am concerned at the present time, I have to assume that they are in part fiction.

In any case, the responsibilities being assumed by the Lottery Commission are such that they require resources to be expended to undertake the new role. The projected revenue for the Lottery Commission is expected to climb by about another \$1 million this year. I anticipate that the public is going to see very significant increases in the grants and contributions that they will receive.

Mr. Lang: I fail to understand the Minister's response with respect to making allegations that we are making up a fictitious issue here when all I am dealing with here are facts, which are public advertisements in the newspaper.

We have had over a 400 percent increase in administration. That does not count the major renovations being done to a new office area, nor the cost of new equipment that is going to be placed in that particular office, nor the costs of the annual fee that will be charged with respect to renting those spaces. Could I ask the Minister if these costs were taken into account when Cabinet made the decision they were going to breach the contract with the two organizations running it and take it over through the auspices of the Lottery Commission? Were those costs considered?

Hon. Mr. McDonald: I will have to keep repeating, because the Member is wilfully ignoring that the government is not itself taking over the lotteries. An independent Lottery Commission, as established by an act of this Legislature, is assuming the role that it desires of itself, anticipated by the legislation, in assuming the management of the lottery system. That is what has happened and is what will happen under agreement that has been accepted by the contracting agent.

With respect to the detail of the expenditures, if the Member is expecting me to remember off the top of my head any individual's salary or the cost of office expenses, I simply cannot be expected to do that. That kind of detail I can bring back to the House in as much detail as the Member wishes.

The Member has asked for the anticipated costs of the operations of the new office. I can bring that detail back, I will ask the Lottery Commission to give me a very specific detailed breakdown as to what the costs will be. As to the operations of the lottery system under the old managers, I will ask the old managers to supply me with those costs and the comparison can be made on that basis. Understanding, of course, that the Lottery Commission is assuming a greater role than that of manager of the lottery system.

Mr. Lang: I do not believe the Minister answered my question.

When the decision was taken to relieve Sport Yukon and the Yukon Arts Council of the responsibility and authority through the contract they have to run the management of lotteries that cost them, I am told, \$27,000 for one person year, what costs and what personnel will it take to run the now-burgeoning Lottery Commission under the same system that the previous contract permitted those two organizations to run?

Hon. Mr. McDonald: As I explained already, the functions of the two operations will be different in the sense that the Lottery Commission will be reviewing its own applications, of which there are hundreds and hundreds and hundreds, setting its own guidelines and doing its own secretarial service in the future.

My understanding is that they would be looking at approximately three people. These are only projections, anticipations; there was no hard and fast verification. There were three people. One person primarily to do the management of the lotteries work, one person to do the work of assessment of applications and secretarial support.

The contract managers of the lotteries in the past did not review applications; they did not get involved in granting funding at all.

Question re: Lottery Commission

Mr. Lang: So that we get things on the record properly, I would not like to see the Minister not have the necessary information to be able to contribute meaningful to a debate of this kind. On Wednesday, March 25, 1987, there were the three following positions publicly advertised — and if the Minister read the newspaper, he would have seen them — Secretary Accounts Clerk, \$22,000 to \$27,000; General Manager, from \$40,000 to \$45,000 per annum; and, Sales Coordinator, \$27,000 to \$31,000.

Could the Minister find out if there were fringe benefits over and above the amount of money attributed to these positions. Further, in view of the fact that there has been a great publicity campaign with respect to the great takeover, could he supply in detail — since these people are independent, but we have to support them in one way or the other — how much all the ads cost every person in the Yukon Territory, and how much more this public relations campaign is going to cost the people of the territory? Further, is it going to be out of the profits of the Lottery Commission, or will it be out of the Executive Council budget for public relations?

Hon. Mr. McDonald: The detail the Member is requesting ought to have been put in a written question. It is incredible detail. I will have to get back after doing a review.

With respect to the funding and where it is coming from, the cost of this would be borne by the Lottery Commission through the proceeds of the sale of lottery tickets.

Question re: Joint Commission on Indian Education and Training

Mrs. Firth: With respect to the Joint Commission on Indian Education and Training, last week I asked the Minister of Education about a Management Board decision to change the contract. Can the Minister answer the question now?

Hon. Mr. McDonald: Yes. For your edification, Mr. Speaker, the question that the Member put was to determine whether or not the professional consulting services contract was essentially the same as a consultant services contract which, ultimately, was entered into. The answer is: yes. Management Board minute was general and did allow for the latitude to enter into a consulting services contract with Stan Boychuk Enterprises.

Mrs. Firth: We are at a disadvantage, because we have not seen the Management Board minute. We will have to take it from the Minister that the minute was very specific, that there was no generic difference.

Could the Minister tell us who made the final decision that they could change the type of contract?

Hon. Mr. McDonald: The Member misread my answer. The type of contract was not changed. The contracts were generically the same. The decision with respect to who made the decision as to contracting with the chairperson of the commission versus the executive director was made by the Management Committee of the Joint Commission on Indian Education and Training.

Mrs. Firth: Can the Minister tell us now how many other contracts within the department have had Management Board authority to bypass the normal tendering procedures? He had given a commitment to come back with that.

Hon. Mr. McDonald: At this time, I do not have that information. It will be provided by the Government Leader who has indicated he will be providing that information in total for the government, or by me during Education Estimates, or sooner if I can get it sooner.

Question re: Joint Commission on Indian Education and Training

Mrs. Firth: I would like to follow up on one of the answers

that the Minister gave about the type of contract that Management Board allowed him to enter into. If that procedure was all on the up-and-up and was satisfactory, can the Minister tell us why he entered into a contribution agreement with the new Commission. Why did he change the type of contract he was entering into with the new Commission?

Hon. Mr. McDonald: I do not know the technical answer to that, but I can provide the information for the Member. The reason we can enter into a contract with the Chairperson of the Commission is because the Chairperson of the Commission is not a government employee. That was the reason we could not enter that same kind of contract with the former Chairperson previous to December of 1986.

Mrs. Firth: The Minister is inaccurate in his sequence of events, because my question to him would be why did you not enter into a contribution agreement originally with the Commission, because it was after the Management Board authority was given for the contract that the department and the Minister discovered the conflict, it was not before. So why did the Minister not enter into a contribution agreement with the first Commission? Why has it been changed?

Hon. Mr. McDonald: I already indicated to the Member that the technical answer will be forthcoming. I do not have the answer to that question at this time.

Mrs. Firth: I look forward to the Minister bringing back that answer, and also the answer regarding the numbers of contracts that have been departed from the normal tendering procedure. I would like to get a commitment from the Minister to bring that back early next week, perhaps Monday or Tuesday. Is he prepared to give this House a commitment to bring that back at a specified time?

Hon. Mr. McDonald: Most assuredly. I would doubt whether or not there would be many, if any, contracts of that sort within the Department of Education, but I will certainly check.

14

Question re: Faro housing

Mr. McLachlan: I have a question for the Government Leader. Why will the government not accept the principle of the partial discharge of mortgages on property sold in Faro on which it holds the mortgage interest?

Hon. Mr. Kimmerly: I will answer the question, but the question is obviously the lead to a more complex set of circumstances and, perhaps, an individual situation. If the Member for Faro would provide the details or the real issue, I will be able to answer that question, I believe, fairly easily.

Mr. McLachlan: Let me phrase it this way: Canada Mortgage Housing Corporation and the Toronto-Dominion Bank, who are the two principal paper-holders in Faro have agreed to the principle of the partial discharge of mortgages. That is, a portion of the mortgage money goes against a portion of the mortgage when a unit entity is sold. My question to the Minister is, why should the government believe it should be treated differently in this respect and demand all payments against the mortgage when a property is sold?

Hon. Mr. Kimmerly: I will take that question as notice and determine the particular situation to which it applies, and be in a position to answer in due course.

Mr. McLachlan: Part of the principle, as the Government Leader knows, making the whole project in Faro work, was that the extreme costs of starting the operation be borne out over a period of time, and that when a property is sold the last person who should be into the pot to get its money back first should be the Government of the Yukon Territory, because that implies a non-confidence type of situation and the fact that the government should get their money all out right away. My question to the Minister is: does the government not have any fear that this type of attitude, this type of assumption of getting the money quickly, would be most indicative towards a poor public relations attitude and a collapse of the whole project, long before the thing is given the chance for it to succeed?

Hon. Mr. Kimmerly: That is not our attitude. The premise to the question is simply inaccurate.

Speaker: The time for Question Period has now elapsed. We

will now proceed with Orders of the Day.

ORDERS OF THE DAY

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

COMMITTEE OF THE WHOLE

Chairman: I call the Committee of the Whole to order. We will now recess for 20 minutes, at which time we will return and do Bill No. 6, *Second Appropriation Act*, Department of Economic Development.

Recess

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

Bill No. 6 — *Second Appropriation Act, 1987-88* — continued

Department of Economic Development: Mines and Small Business

Chairman: Department of Economic Development: Mines and Small Business.

Hon. Mr. Penikett: Before I begin with a brief opening statement to introduce the Estimates of the department, I would like to table for the House a response to a question that I took as notice during the Committee hearings on the Estimates of the Legislative Assembly. It is an answer to a question put by Mrs. Firth for an explanation of the increases of approximately \$9,000 in MLA travel. The exact figure of \$8,400 is broken down as follows: increase in the amount budgeted to cover MLA expenses during the session of the Assembly, \$1,000; increase in the amount budgeted to cover meetings of the Public Accounts Committee, \$1,000; increase in the amount budgeted to cover attendances and conferences of the Public Accounts Committees caused by higher transportation costs in getting to Quebec City and Regina last year and an increase from two to three members in the size of the delegation, \$4,000; an increase in the amount budgeted to cover attendance at Canadian Regional Conference caused by the increase of four to six members in the size of the delegation, \$2,400. I will table that for the record.

By way of introducing the Estimates for the Department of Economic Development: Mines and Small Business, I would like to highlight the main elements in this package. We are asking Members' approval for expenditures of \$2,435,000 in the 1987-88 fiscal year.

This represents a decrease in expenditures of \$2,066,000 from the forecasted level of \$4,501,000 for the 1986-87 fiscal year just completed. The drop in the Estimates results in part from the deletion of \$1,408,000 for the energy subsidies, which will be the responsibility of the Yukon Development Corporation; a transfer of the cost of the Prospectors Assistance Plan to the Capital Budget, which amounted to commitments of \$107,000 in 1986-87; and, the removal of any expenditures associated with the NCPC transfer, which cost us \$264,000 in 1986-87.

¹⁶ An additional \$292,000 reduction in Estimates will be made to increase efficiencies and availability of recruited staff to carry out work previously carried out by consultants. We expect the department to meet the established priorities, deliver existing and new initiatives and cover the costs associated with six newly-approved person years, with lower expenditures than forecast in 1986/87.

We have made a conscious effort to reduce the O&M costs of all departmental programs, except the Small Business Program, which is budgeted to receive a modest increase of \$64,000. The Estimates include an increase in its personnel allotment of six person years,

two permanent and four term person years. They are as follows: a permanent person year for the position of Assistant Deputy Minister of Finance and Administration. This is a critically needed position in light of increasing departmental responsibility for managing the financing of territorial and cost-shared business assistance programs. The incumbent, I should note, will also be the Chief Financial Officer of the Yukon Development Corporation, but the Corporation is cost-sharing his or her salary with YTG.

A permanent person year for a secretary in the Small Businesses Branch. This position will provide secretarial services for five Businesses Development Officers.

A two-year term person year for secretary to the three planning staff in Economic Policy, Planning and Research Branch.

A two-year term for an Economic Planner. This is a much needed position for conducting professional research and planning in socio-economic areas and to assist in finalizing sectorial and general economic strategies and follow-up on implementation.

A two-year term person year for an Industrial Benefits Officer. The incumbent will be responsible for developing approaches to maximizing benefits to Yukoners from major projects, negotiating contribution agreements with developers under the Regional Resource Roads Program, liaison with Curragh Resources on its socio-economic activities, and ensuring consistency in line departmental approaches to developers.

A two-year term position for a Business Development Officer in Ross River/Faro area. This position is critical to maximizing benefits to that region from the Curragh and Canamax operations. He/she will also be carrying out the normal duties of a Business Development Officer.

I would like now to review the major changes in expenditures and activities of each program:

Under the Administration Program, shown on page 85 of the Estimates Book, which covers the Deputy Minister's Office and the Administration Branch, there will be a 46 percent reduction in expenditures due to the assumption of all costs associated with the NCPD transfer by the Yukon Development Corporation.

As mentioned earlier, there will be an addition of an Assistant Deputy Minister of Administration and Finance to this program.

On page 87 of the Estimates book, the Energy and Mines Program's estimates are detailed. The main changes are the transfer of energy subsidies to the Yukon Development Corporation, the transfer of the Prospectors' Assistance program to the capital budget, and an increase in personnel costs due to staffing of all positions.

On page 91 of the Estimates book, on the section on Economic Policy Planning and Research, that shows a reduction of 24 percent and the cost of personnel will increase by 48 percent to reflect the additional three term person years. However, costs under Other will be decreased by 55 percent due to a reduction in costs associated with the completion of Yukon 2000. There is only one conference budgeted for this year, the final conference, and there will be a commensurate reduction in outside consulting services and broad cuts in general administration.

On page 92, the details of expenditures by the Small Business Branch are shown. We are planning for a reduction in all expenditures. The only increase will be in personnel costs related to the addition of a secretarial position, a Ross River/Faro business development officer and the staffing of all vacant positions.

The Small Business Branch has evolved into a very dynamic and essential mechanism for reaching our goals of job creation and economic diversification. The Branch encompasses four business development offices in Whitehorse, Dawson, Watson Lake, and now the Ross River/Faro area; the Resource and Community Development unit, and the Financial Programs unit. As you remember, we decided to streamline the delivery of all governmental programs of assistance to small business through the 'one stop' approach. The Branch had eight person years approved for it in December 1985. We decided to streamline the administration of the EDA through centralizing it in the business development office in Whitehorse. As a result, five person years were added to the BDO through transferring the approved resources for the delivery of the

different EDA subagreements from Renewable Resources, Tourism and the new Business Incentives Subagreement. Also, the approved 1987-88 capital budget contained three new term person years for delivering the new Capital Programs. We are adding in the 1987-88 O&M Estimates an additional permanent secretarial position and a term position for Ross River/Faro. In total, we have 20 person years, 10 in the Capital Budget and 10 in the O&M Budget. The Capital positions are responsible for delivering the programs included in our Capital Budget and the cost of these 10 person years is cost-shared with Canada.

In 1986-87 we were able to assist the private sector in our communities in maximizing the utilization of our programs. The business development offices were able to assist in the following:

Under our Loans Program, 18 loans totalling \$746,266 were approved.

Under the Economic Development Organizations Support Policy, a total of \$179,000 was contributed to chambers and associations.

The Opportunity Identification Program provided \$110,000 to 18 entrepreneurs and companies. This allowed them to investigate, develop their projects and create jobs.

The Special ARDA Program approved a total of \$1,290,000 to assist 46 projects for training, renewable resource development and a variety of commercial enterprises.

A total of 105 projects for funding commitment of \$3,707,000 were approved under the EDA.

Twenty-two companies were funded for a total of \$28,156 under our Trade Show Participation Assistance Program. These companies were able to expand or open new markets for their products.

The above is an impressive record of delivery by the Small Business Branch. This does not include the hundreds of business referrals, counseling and support that our staff have provided and that does not show in the above statistics.

I would also like to mention the success of our Mineral Incentives Programs. The Exploration Incentives Program approved a total of 42 exploration projects for a total commitment of \$1,123,000. The Prospector Assistance Plan funded 25 prospectors for a funding commitment of \$107,369. As you know, we are continuing both and increasing the funding level for the Prospectors Plan.

We plan to embark on the delivery of our new programs approved in the recent Capital Budget. We have been involved in a consultative process with organizations representing the economic groups in the territory. The consultations are to be completed within the next two to three weeks, with the view to finalizing implementation plans and regulations under the *Business Development Assistance Act*. The guidelines for new programs will reflect the views and recommendations received. We plan to publicize them shortly after the Cabinet approves the new regulations.

In a related matter to program guidelines, some hon. Members asked me a question on the criteria that allow complementary funding or "stacking" of the different programs. I am glad to report that we have investigated all the files on the 218 projects approved over the past fiscal year. Of these, 16 — or 7.3 percent — had complementary funding. Eleven of those 16 involved complementary loans only; loans combined with grants counted for five of those 11; the remaining six were loan/loan situations. Of the five applications involving complementary contributions — grant/grant — only one was to an individual business person, and this case was warranted on the basis of community benefits from the project. The remaining four applicants funded with complementary monies — grant/grant — were community projects with the sponsors having very limited financial resources. All of the above complementary funding situations were necessary to allow the projects to proceed and conformed to all the eligibility criteria of the programs used.

We are very pleased with the accomplishments of the department and its staff. We look forward to the same level of dedication and enthusiasm from our employees and to the continuation of the positive working relationship and cooperation with the private sector and community groups.

I will be pleased to answer Members' questions.

Mr. Nordling: The first thing I would like to get straight is the person years in the department. We are going to 34.5 person years. In

the Government Directory, I count 39 or 40 positions. I wonder if some of them are half person years or part time. Perhaps the Minister could offer to give us a breakdown of exactly who and how many people are working in the Department of Economic Development.

Hon. Mr. Penikett: I would be pleased to do that. I will read out some detailed information, and then I will ask a Page to make copies and distribute it to all Members if that will be satisfactory. First I will provide it to the Members.

The total, including all O&M and Capital person years in the department, is 46.5 person years for the 1987/88 year.

That is broken down as follows: 34.5 on the O&M side and 12 on the Capital side. All of the Capital person years are terms, and four of the O&M person years are terms. As I pass out the sheet, the Member will see where the breakdown is by department.

I would ask the Page to make copies of this, and I will table it for Members.

Unfortunately once I do that I will not have a copy, so if the Member has any more questions...

Mr. Nordling: I would like to ask if that sheet does have a breakdown of the 30.5 permanent positions as to how many employees there are for those person years? Does it represent 30 people plus a half-time person?

Hon. Mr. Penikett: This department has only one permanent part-time position and that is the librarian. You may remember when we were dealing with the Executive Council Estimates we talked about the transfer of that half time person year, and that is the one person who is part time in this department.

Mr. Nordling: Is it my understanding then that the other 30 person years are 30 full time people?

Hon. Mr. Penikett: Yes.

Mr. Nordling: Going back, perhaps the Government Leader can have his officials look through the Directory under Economic Development and explain the discrepancy. There seems to be approximately 39 positions identified there, persons working in the department with telephones.

Hon. Mr. Penikett: I should explain that the Capital person years will be working in the department and have desks and telephones as well. I do not know the date of that Directory, but it would not reflect the new person years for which approval is being requested in this budget. They would only reflect the people who were performing work at the time that the Directory was being put together.

Mr. Nordling: The date on the directory is January 1987, so, perhaps, we will get an update in the near future that will reconcile with the Minister's comments.

Hon. Mr. Penikett: I will be pleased to have someone from the Department cross check the directory with the staff establishment and if there are any questions about vacancies or other reasons why there are discrepancies there, I will provide the Member with a written answer.

Mr. Nordling: I notice that the departmental objectives are exactly the same this year as they were last year, and the Minister has said that the department will be carrying on. I wonder if there are any changes in the direction or philosophy that this department will be taking over last year, or whether it will be strictly a continuation of the programs in progress?

Hon. Mr. Penikett: The broad objectives will continue. The two big changes that are reflected in this year are, one, the new capital programs, which we approved in the last capital budget. They will be going out this year. That is a major change, not in the direction but in terms of the range of services. The second major direction is, of course, the activation of the Development Corporation, which is a major new obligation or responsibility. That will be responsible, as we know, for the electrical utility and Watson Lake Forest Products Company.

Mrs. Firth: I would like to ask the Minister something about the statistical information that he brought forward today in his opening comments. On page 89 of the budget, there is a page called Statistics. I am assuming that those estimates are the numbers of applications that the Department is estimating that they will get. I was wondering why the statistical information that the Minister

brought forward could not have been included in the Statistics, just to give us an idea of the utilization of the program, the numbers of successful applicants, and the dollars allocated to those successful applicants.

Hon. Mr. Penikett: At the time that the budget was put to bed we did not have the year-end numbers. If the Member now wishes to have the actuals for the programs listed on page 89, I believe, in every case, we can give that information.

Mrs. Firth: Can we not identify the numbers of successful applicants at least before the year end, or is that impossible? For example, the trade show participation 1986-87 forecast was 31 according to page 89. Am I correct in my interpretation? And, the Government Leader said today that there were 22 successful participants. Can that information be provided in the Estimates to give us some idea of how many people are actually benefitting from it and, in a sense, fulfill the performance indicator requirements through the statistics of the department?

Hon. Mr. Penikett: There are two things the Member should understand. Right until near the end of the month there were some programs on which the management committees were meeting and, so, until they had made their decisions, it was not possible to give perfectly accurate examples. I think perhaps the number 31 was in anticipation of perhaps an event like the Gold Show, assuming there would be applications and money approved. But, of course, the Gold Show takes place in May, so any applications that are approved will technically actually show up in the 1987-88 fiscal year, not in 1986-87. The number I have given in my opening statement is an effort to wrap up and give the most complete numbers we have at this point. In respect of the detail on any one of those programs, I am now prepared to give that information to the House on any specifics.

Mrs. Firth: I am just looking for information that can be included in the budget book. Maybe the Minister could tell me, then, exactly what the statistics on page 89 represent? If it is trade show participation, does it include other programs? Could the Minister tell us what those figures represent?

Hon. Mr. Penikett: When we were putting this budget together in January, I believe these figures represent the best estimates we had for the utilization of those programs, to the year-end, in January.

Mrs. Firth: Then, is the Minister saying that there is no way they can indicate in the Estimates booklet how successful they were? It is fine to put an estimate of what you are anticipating, but a list of successes is better. Is it possible to do that?

Hon. Mr. Penikett: The reason I gave the kind of detail in the opening statement I gave today was to try to bring the House up-to-date and put on the record the performance of the year previous that we have. I can, in addition to the information that I have already provided, in response to Members' questions about particular programs, in some cases show what the success rate was or in other cases show the numbers of people who actually benefitted from the programs.

Mr. Nordling: Before we get into the departments, I would like to refer to page 83, Allotments. Under Personnel, there is \$1,617,000 and Other \$654,000. Does the Minister have a breakdown before him that he can provide for us as to exactly how much of that is salary, how much of it is benefits, and how much of it is travel?

Hon. Mr. Penikett: I could do it by program, and I have no problem in fact either in providing it in great written detail or in summary detail. The major reason for the change, as I explained in my opening statement, is that the number and personnel is based on the full staffing of the approved person years. The major change in the question of Other is the reduced use of consultants, which will follow from completion of the Yukon 2000 project.

Mrs. Firth: Is it the Minister's intention to have this department include more statistical information in this Budget, things like the number of enquiries made at the Business Development Office and the utilization of some of the other programs there?

Hon. Mr. Penikett: I understand what the Member is saying. Because of the speed with which we established the Business Development Office — the One Stop Shop — originally, we did not

build into our systems a method of reporting or accounting for enquiries, counseling, those kinds of things. We are now developing a reporting system that will allow us to account for, and give a report to the House of that kind of information. Hopefully, by the time the next Estimates come around, we will be able to give an accounting to the House of the previous year — if not a full year, several months in this year — on that score.

Mrs. Firth: Does the Minister have the same position on giving us details of the numbers that have utilized the energy programs, as opposed to just predictions?

Hon. Mr. Penikett: I would be quite happy to table in the House a list of the people who received under the energy programs. The list under the SEAL would be very long. I can tell the Members that the numbers that were actually received and any other particular information the Member wishes for me to bring.

Mr. Lang: As the Minister knows, this side takes placer mining very seriously. We are dealing with about \$60 million that is put into the economy, primarily through private investment. Who does the Minister have on staff, or in a consulting capacity, to advise the government on the major position that is going to have to be taken with respect to determining effluent standards?

Hon. Mr. Penikett: At this moment, we are giving careful study to the latest position we have received from the federal government, which includes that question. It is a matter which, having received the advice from the departments, I will be taking to my Cabinet colleagues for Cabinet to make a decision on. As soon as Cabinet has made a decision on it, I will be making a Ministerial Statement in this House in response to the particular proposal that, by that point, we will have received from the federal government.

Mr. Lang: I do not believe the Minister answered my question. I want to know who is giving the advice, with the necessary expertise to be able to advise any Member of this House, let alone the government side, with respect to what the effluent standard should be, in view of the fact he does not support the concept of sedimentation?

Hon. Mr. Penikett: The principal source of advice on the subject is coming from the Energy and Mines Branch. I believe the Member opposite knows, or is acquainted with, the small staff that are there. There is one other department in this government that will, of course, be consulted and be advised on these questions and that is Renewable Resources.

Mr. Lang: When you get into such a technical area as water, do we have individuals on staff who have that expertise in either department?

Hon. Mr. Penikett: I believe that the people we have in the Energy and Mines Branch and the people we have involved in the mining are reasonably well regarded by the local industry. We do not presume, at this point, to have the kind of sophistication and the kind of complex of skills that would be represented in the federal Northern Mines Program. I may be wrong about this, but it is my view that we ought not to be at this point establishing a very sophisticated parallel bureaucracy in that area, because we are not that far away from a devolution of the federal programs. I think it would be wasteful and inefficient to build in-house.

If the Member is asking whether we are engaging any consultants on the particular questions, I do not believe we have at this point. The advice and information we have had is largely from our own officials based on the wisdom they can generate in their discussions and consultation with people in the mining industry.

Mr. Lang: Is it true that the regulations that are being proposed by the federal Fisheries Department are going to apply to all utilization of water, not just strictly the placer miners? In other words, if one wants to build a bridge and one wants to do a river crossing, anything of this kind, is it true that those particular regulations that were initially to be drafted for the placer mining industry would apply to anyone utilizing the water resources in the territory?

Hon. Mr. Penikett: There is nothing in the information I have received to date that indicated that these regulations would apply to bridge builders or anybody other than placer miners in that industry, although I take it as a serious question and will take it under notice and make absolutely sure about what the federal intentions are.

Mr. Lang: I gave it as a very serious question, because the implications can be very, very costly, time consuming and have a very major bearing on this government's ability to do things in its Capital Budget. That is my concern as a Member of the Legislature in asking these very specific questions.

Was it not brought to his, or his department's attention, that the implications of the proposed regulations by federal Fisheries has the effect of being right across the board as far as the water control in the territory is concerned?

Hon. Mr. Penikett: Not as far as I know, but if it, in fact, is the intention of the federal Fisheries people, in terms of the new regulations, to sweep with a broad brush then, obviously, I will be involved in not only Renewable Resources in the question of our response, but also Community and Transportation Services and the building departments here.

Mr. Lang: Has this issue not been discussed in some detail in the negotiations that the Government of the Yukon Territory has been involved in on an ongoing basis? In my understanding, these implications have been raised in a number of forums. I think some public statements have been made with respect to the possible implications.

Hon. Mr. Penikett: I cannot comment on this. I am sure the Member would not want me to comment on public statements by third parties. The thrust and the import and the direction of the information that we have had from the federal Department of Fisheries, and our response to them, has been largely with respect to salmon streams and the impact of mining on them.

I will take the question under advisement and seek to establish, at the earliest possible opportunity, whether the federal government and the intent of the regulations that they are discussing would have a broader and larger impact than we had originally contemplated.

Mr. Lang: I was under the impression that the Minister was going to make the government's position known some time this week in a Ministerial Statement, in view of the questions for the Member for Porter Creek West in the House when we first sat here approximately a week-and-a-half ago.

Hon. Mr. Penikett: I do not believe that I promised a Ministerial Statement this week, but I did reiterate a few minutes ago my intention to make a statement on behalf of the government. I previously indicated that the matter is of sufficiently complex and sufficient import that I have resolved to take the matter before my Cabinet colleagues so that we can have a complete discussion of the matter and its impact on at least one of the departments, perhaps others, from what the Member opposite is saying today, before making a statement in the House. Once Cabinet has resolved the position that we will take on the question, then I intend to make a Ministerial Statement in this House.

Mr. Lang: I am pursuing this because I believe it is so important to the Yukon and to our economic welfare. Perhaps the Minister could go on in some length with respect to the process that is going to be undertaken. I understand there are some federal regulations under the *Fisheries Act* perceived by the parties involved. If that is a correct statement, could the Minister advise us of what process is going to be undertaken by all parties here and the timeframe that is proposed, before a definitive decision is taken?

Hon. Mr. Penikett: Off the top of my head, I cannot give dates. I am not sure that I am at liberty to give dates in terms of what the federal intentions are. Let it be said that the timetable that we had originally contemplated has slipped considerably. I think it is also reasonably well known that the federal government and the industry are still some considerable distance apart in terms of an understanding of what is an acceptable regime.

We are continuing to participate in those discussions. If I can bring back any information to the House about the timetable and schedule of these discussions — because I do understand the importance and the urgency of the matter — I will do that in writing. A more substantial statement on the particulars of the federal proposal will have to wait for the Ministerial Statement, which I have already given notice of.

Mr. Lang: I will take it as notice that we will have some kind of an outline with respect to dates. I guess my question is process, and the process basically is this: is it not correct that there are work

draft regulations now before the KPMA and the Government of the Yukon Territory for consideration? That has not been clearly stated one way or the other.

Hon. Mr. Penikett: I do not want to sound like I am being excessively subtle here, but we have not formally been asked to respond to a government proposal yet. What we have, as have other groups, is a draft, and if I am asked to speak to the process, I suspect they want to do further consultation about the draft before they make the draft official in terms of proposing a response to us. But let me not get bogged down in the subtleties and the complex and mysterious ways of federal officialdom. Let me simply say that there is a proposal from the federal government that we will be responding to formally by way of a Ministerial Statement, as I have indicated earlier.

Mr. Lang: I have heard this story, too, and I would like to know whether or not this is the process that is going to be undertaken. The possibility is that there will be federal regulations promulgated and that all parties may have sixty days to respond prior to them coming into effect or changes being made. Now, is that a possibility as far as a route or any indication of that process being brought forward to the government in order to try to achieve a definitive decision?

Hon. Mr. Penikett: I will have to take the question about the sixty days as notice, and I will get back to the Member. I do not want to get into a lot of the private communications between the two levels of government, but suffice it to say that some of the methods by which the federal government has chosen to "consult" have not been satisfactory to us, nor have the processes met entirely with our approval. But I will take the question as notice as to the specific sixty day question, because of course, to state the obvious, sixty days gets to be a precious amount of time this year in respect of that industry.

Mr. Lang: I would like to ask a further question: did the government ever take a formal position or an informal position with respect to the principle of settling ponds versus a complicated effluent regime that would require the costs of the bureaucracy that would have to follow in any decision of that kind? Did the government, informally or formally, give a position of support or no support to the KPMA or the federal government in respect of the Keopke report, which basically was that settling ponds and a period of time for the purpose of settling the effluents would be satisfactory as opposed to the "effluent standard"? Did the government ever take a position?

Hon. Mr. Penikett: The Member is asking me, one, to indicate what we may have communicated directly between officials in this government, which I will not do; and he is also secondly asking me to anticipate exactly the matters and the complex questions that we will be addressing in a Ministerial Statement. As the Member well knows, the particular proposals of the task force were found wanting from the point of view of the Department of Fisheries, both in regard to the question of legal certainty and the *Fisheries Act*, which requires specific standards. I will respond to the question of policy that the Member is putting in the Ministerial Statement when we make it.

Mr. McLachlan: In his opening remarks, the Minister referred to a decrease in expenditures by a transfer of the Energy Subsidy Program, which will be subsequently administered by the Yukon Development Corporation. Is it still the intention of the Department to administer the Fuel Oil Home Heating Subsidy Program through the Department? I trust his remarks refer only to the federal energy program and not to heating oil.

Hon. Mr. Penikett: I think I lost the direction of the question at a certain point.

The main point about the subsidy programs that have been provided by the federal government is that as a result of the transfer of NCPC, we have been provided with the means to continue those subsidy programs for the foreseeable future. They will now be the responsibility of the Development Corporation and its managers to deliver. We will, as I have said previously, be taking a look at the whole question of subsidies and equalization in the coming weeks and months. We were not in the position, given the infinite complexity of the actual transfer negotiations, to make firm

decisions about that nor did we have the staff to do that prior to the transfer. We are now working on those matters, and the actual structuring of subsidies on an ongoing basis will be something that we will be doing more work on.

Mr. McLachlan: Although there is a substantial sum of money that will be then administered through the Yukon Development Corporation, as opposed to the Department of Economic Development: Mines and Small Business, has that subsequently resulted in a decrease of one or half a person year within the Department then, because you are no longer looking at the program?

Hon. Mr. Penikett: No. You have to understand that the subsidy programs do not involve a large amount of administration. In many cases we were dealing with them in Whitehorse and simply approving and auditing the transactions as they were carried out, money was transferred to us, Yukon Electric and NCPC, and then distributed to the customers.

Mr. McLachlan: A further aspect to this that is brand new is eligibility for the Commercial Power Rebate Program, which became available on Wednesday, April 1. Is the Minister now telling us that those commercial customers will now have to apply to the Yukon Development Corporation for that subsidy or will applications still come here to the Department?

Hon. Mr. Penikett: As far as it affects customers, nothing has changed about the way it will be administered. I have simply indicated to the Members that as a result of the transfer and the opportunities that that presents, we will be reviewing the structure of the subsidies in the coming weeks and months and we may well change the way they are either packaged or delivered. At this point, nothing has changed. If someone is trying under the Commercial Power Rate Relief Program, they should still deal with us as they have always done in the past.

Mr. McLachlan: Subsequent debates on O&M Budgets have brought a lot of questions out about the takeover of a small business loan assistance program to the federal people. Can the Minister update us on the status of that? Has it gone by the wayside? Do we no longer need the help, or is it no longer our wish to acquire this from the federal people, or do we have enough money in the bank that we can administer our own territorial assistance program?

Hon. Mr. Penikett: The discussions are still going on with DIAND on that. The combination of federal cutbacks and the other programs that we are offering, the likelihood of that transfer taking place is, to put it mildly, not great.

Mr. Nordling: I would like to go back to the statistics. I know that the Minister is going to bring us back some figures in writing as to the actual number and amounts of assistance given. If there are any statistics kept as to the successes and failures of the grants and loans that have been given, are we at the stage yet where there are any meaningful statistics?

Hon. Mr. Penikett: That would be part of the program evaluation, or the evaluation of the programs that we will increasingly be doing. The Member is also quite right. Some of the programs are too new yet to have any meaningful information about the success rate.

I, and the department, have recently been looking at some Canada-wide information on the success rate and the utility and the efficacy of various kinds of programs. Members will understand there are similar programs being offered from one end of the country to the other. They are not all identical, but there are very similar programs in almost every province and jurisdiction. There is some quite useful information to be obtained from other jurisdictions on matters such as has been asked by Members opposite about the utility of loans versus grants, and that kind of thing.

In future years, I do not know whether it is the kind of information we can build easily into the Estimates, but we will be able to take a look at the success rate on the various kinds of programs. On something like Business Assistance Programs, that will be very valuable information. On a program like SEAL, I would guess you really do not have the same kind of performance indicator. The applicant was either successful or was not. That is about all the information you could provide of that kind.

Mr. Nordling: I realize that about programs such as the SEAL and the Exploration Incentives, even the Prospectors Assistance.

The Minister had mentioned 218 programs that were looked at for the stacking of funding. He referred to 16 having complementary funding. I was referring to statistics with respect to those 218 grants or loans that were given, and whether there were any statistics on how well they were doing, or how successful they were, how many failures there were. I accept that, in many instances, we do not have those available as yet. Business has not had time to fail since they received the loan.

Hon. Mr. Penikett: If it would assist the Member, obviously we cannot yet, I think, give him the kind of scorecard, if you like, in terms of the success or failures of what the Department calls Projects for Complementary Funding — or stacking — but I could certainly have no problem in providing this to the House, and in fact I will distribute now a sheet that describes all the projects that have had stacking. Then, if Members have further questions about the particulars on any one of them, I will be happy to have officials of the department either answer them or answer them in writing myself.

Mr. McLachlan: With regard to the Economic Development Officer for the Faro/Ross River region, it is impossible to tell from the advertisements where the office is to be. Can the Minister say?

Hon. Mr. Penikett: I think the person is going to be based in Ross River, although we are going to try to arrange with the existing government office space in Faro that they will be in Faro a certain budgeted amount of their time, so that the availability of the person in Faro will be predictable and regular.

Mr. McLachlan: I think that would be of some benefit. If the Minister cares to discuss how that situation is working with the Minister of Health and Human Resources, I am sure he would find there is some benefit to at least predictability in the officer's visits.

Further to that, the Minister alluded in his opening remarks to assistance to Curragh and Canamax. Can he update the House at this point to anything he has been told that is not confidential information about the Canamax decision or decisions?

Hon. Mr. Penikett: It is obviously for them to make their own announcements, but let it suffice to say I am extremely optimistic that they are going to go ahead. Our discussions with them are on that basis. The point is that, whether it is with respect to the question of the Curragh accord — which flows out of the master agreement, and on which officials of this government are going to be meeting shortly with Curragh to review particulars and performance according to particulars — or whether it is in connection with Canamax, where officials of this government are meeting with that company to talk to them about employment and business opportunities — firstly in the area around the property and secondly in the Yukon as a whole — we will probably go into something like a second-stage development agreement with Canamax when they make their formal announcements about their decisions. Then we will hopefully be able to use the officer who is based in Ross River and Faro area to negotiate and nail down and help put together specific business opportunities arising out of the project for people in Ross River or people in Faro or in the neighbourhood, if you like. We will, as well, be talking to the company about ways in which we can maximize employment — there may be a training component to that. All of those things are subjects for discussion with Canamax at this moment.

Mr. Lang: Maybe I am under the wrong impression. I thought Canamax has made the decision to go ahead. If they have not, what remains to be done?

Hon. Mr. Penikett: They have certainly given a green light to the project. They have not yet made an announcement, which I think may be forthcoming, about the actual start-up dates, the number of people who are going to be working there, how long they think the mine will be. I certainly think they have made the investment decisions, and I think we can be confident about that.

Mr. Lang: Is there any word with respect to the possibility of the production of the gypsum mine on the Haines Highway?

Hon. Mr. Penikett: Are we talking about the Windy-Craggy gypsum mine? I am sorry, I will have to take that as notice.

Mr. Lang: There is a gypsum find on the Haines Highway. I believe it is on the BC border close by there. There was some discussion with respect to the prospects of it becoming a viable

quarry, I guess, is the description of the type of development that would take place there. I do not think we should forget about it because I think there could be some benefits come from it.

Perhaps the Minister could update us with respect to the specific details of what has happened with Windy-Craggy. Is there anything going to be happening this year and, if so, is the government participating in any way?

Hon. Mr. Penikett: We have been in correspondence with the people in Windy-Craggy, and I have had one conversation with the people in Toronto. I will provide an update to the House both on the gypsum prospect and the Windy-Craggy property. The Member should understand that in many cases we get most heavily involved when the company is coming to us for assistance of one kind or another. In this case, partly because of the location of the project, that has not been happening, although we will be as cooperative as we can, because there are economic benefits for the territory obviously. I will provide the most current information I can get on both those properties.

Mr. Lang: This follows up on a conflict with respect to the various departments. I am wondering if the department has now taken a formal position with respect to road access into that property. To refresh the Minister's memory, the Department of Renewable Resources was taking a very strong position and, in fact, opposed any major road access into that property. Has the government taken a formal position and, if so, what is that position?

Hon. Mr. Penikett: I will take that question under notice. We certainly have not dealt with it recently, but I will take it under advisement and report back to the Member.

Mr. Lang: I wonder what would happen if we did not go through *Hansard* and find situations, like I did earlier today in Question Period, of you saying you said you were going to report back. Here we are a month later. It seems that unless the Official Opposition takes the time and effort to hound the side opposite with respect to responses, we can expect not to get them. I am not saying in this particular case that asking for more time or to take some notice on a question is not appropriate. I would say it is appropriate, but I would like a commitment from the Government Leader that when any of the front bench do take a question on notice that staff in the various departments be advised that it is very important to go through *Hansard* and the Blues and responses be made out, or even mailed to us when we are not in Session. I get the impression sometimes they are waiting for the end of Session so they do not have to answer the questions.

Hon. Mr. Penikett: That is not my intention. I did table formally in the House, at the beginning of this sitting, a dozen or more answers to questions. I take it that I can mail out to the Members the information beforehand, but I still have to table it in the House for the record. I believe I have at least another dozen more sitting on my desk waiting to be signed today. Unfortunately, I could not get to them because I was preparing for these Estimates.

I hope the Member will understand it when I say that I do not want every public servant in this government listening to the radio to the *Hansard* discussions in case they might hear something about the departments rather than working. We do have one person in this department who will be monitoring the debate, as will my executive assistant. As the questions are coming up, we will be taking note of them, and I will be, as expeditiously as I can, getting back to the Members with the information they request. Members will understand that on some matters it is very easy to get back quickly; some will take a little more time.

Mr. Lang: I am asking the Minister in his capacity as Government Leader. I am finding it depends on the department. My concern is that we vote money for executive assistants and we have deputy ministers. I do not expect everybody in the civil service to be listening to the ongoing debate in this House. I am sure they have other duties they can perform.

I want to impress upon him that from our side, in our review, we are becoming to wonder just how sincere the intent of some of the Ministers is with respect to answering some of our questions. It is an observation I am making, and I am taking it in good faith that the commitments being made now are that all departments will have

somebody monitoring the replies and getting back, as opposed to proofreading.

From that, could the Minister update us with respect to what has taken place, if anything, in the Mt Nansen area in the area of mining where we hear every now and again about the prospects of a silver or gold deposit? Is there anything taking place out there?

Hon. Mr. Penikett: On the question of prospects in the Mt Nansen area, I will come back to the House with a report.

The Member will understand that while I do get periodic reports from the department and we try to keep current, we are only talking about two people in the department who are dedicated to mining. They are running programs now, so I do not meet with these people on anything like a weekly basis. I will be happy to take the question as notice and provide the information to the Member as soon as possible.

Mr. McLachlan: With respect to the Canamax announcement that the Minister has referred to, I recall — although I could have missed it — that there was some pending decision with respect to a water licence, and there was some concern with the band there. Is that possibly the answer why we have not heard a formal decision by Canamax; they are waiting for the answer from Water Board? They have no licence, as far as I know.

Hon. Mr. Penikett: I believe the Water Board has not rendered a decision yet, but I do believe that Canamax is proceeding on the assumption that they will get approved and that the objection from the Ross River Band will not prevent the project going ahead.

Mr. Lang: I just want to follow up one other area. We talked about stacking earlier with respect to that, on grants. I am getting into another area but I think it is important in view of the information that was tabled. Maybe we should discuss in generalities as far as concept is concerned. Could the Minister at the outset tell me what OIP means?

Hon. Mr. Penikett: That refers to the Opportunity Identification Program, which is the capital program I identified previously in the House.

Mr. Lang: I think there is a very serious question here with respect to validity of projects. When you take a look at a number of them where you are dealing with perhaps a hundred or a hundred and fifty thousand dollars' worth of grants, and then we are also making loans from twenty thousand to a hundred thousand dollars. I think there is a serious question here as to just how much obligation the general public has to make or to attempt to get viable projects and businesses under way. I think my colleague from Porter Creek West has said it very well. I think that in some circles, at least on the street, people are coming to the realization that we are becoming a territory of grants, and almost to the point of subservience to the government to meet the eligibility criteria for the purpose of financing. I would just like to know what the Minister's position is with respect to "this principle of stacking", and whether or not a policy decision has been made by Cabinet that it cannot take place or, if it can take place, under what situations, in general terms?

Hon. Mr. Penikett: I would like to refer the Member back to my earlier remarks in which I indicated that, of course, the kind of stacking we are talking about is a small percentage of the number of applicants that are going forward. The Member also made the assertion that we are becoming a — I think it was, handout haven, in one case — but I think the Member was also of grants. The Member will understand that, of course, many of the programs that we are operating are ones we have inherited. We have, of course, developed some new ones and our direction has been, where it is feasible, to move away from the simple, if you like, grant. It is quite possible, as we are reviewing the range of programs that we have, that we will have a situation, or we now have a situation, where because of our small community we have an excessive number of programs with quite specific criteria. I am coming to the belief that we might be better off with a smaller number of programs with broader criteria or broader parameters that would enable people to become better acquainted with them and understand the options.

I forget exactly how many programs are now offered or accessible through the Business Development Office, but I believe it is in

excess of 40. Some of them are federal and some of them ours, but that does not matter. The citizens do not know that. I think for anyone except the most astute and sophisticated corporation that getting a handle on those 40 programs will be difficult and that is why we have the Business Development Office in the first place, to have people who do know them.

I think the argument on the other side of that is the largest proportion of monies comes out of a very small number of programs; there are some which are highly in demand and some that we have developed, like Opportunity Identification and so forth, were that someone with a small proposal, a very modest proposal, will not be able to find the money often from a bank or from anywhere else to do feasibility studies, and that is why we developed that program.

³² I would like to explain to the Member the procedural mechanism we go through in terms of dealing with the question that he has identified, which is about loans and grants and stacking.

In evaluating applications, the department examines what they call the incrementality of any contribution, whether it will be the sole source or complementary. In other words, if it is going to be in conjunction with some other grant or loan, they determine if it is really needed. The process that is applied to determine this, the relative stacking, goes as follows: the first consideration is the applicant's ability to undertake the project with their own equity and, if needed, commercial bank assistance. That triggers the second consideration which is a matter of whether there is a lack of equity, or lack of adequate financing caused by high risk and low equity. The high risk may be caused by new technology, unproven techniques or unproven markets. In this case a client's previous record of business management may be considered, but will not necessarily be a trigger factor. Let us say that they have a poor business record. That would be a reason for caution, but it would not be the only consideration. The next consideration would be government loans and the applicant's ability to use the government loan programs. The criteria for those loans are, of course, public. Within the context of these criteria, the maximum use of loan programs, rather than grant programs, will be indicated. If, however, there gets to be then a problem of whether the business will still be viable, but with additional debt, or whether there be excessive amount of debt and the loans program is used to the maximum and there is still a deficit, if you like, in the financial package, then there is that final option in the packaging of the grant programs.

Now all the grant programs, as the Member knows, have their own criteria, and they will start looking at giving the minimum amount under grants to assure that the project is viable. This is generally only to be an increment, not to be the basic incentive.

In the case where the government determines that the requested contribution is just incremental, and there is a complementary financial package proposed, additional criteria must be met. The criteria is that all of the programs involved allow the stacking. In other words you cannot add a grant on top of a loan program where that is not permitted if the loan program itself says there cannot be any other such contribution.

For example, in the Tourism EDA, the program criteria allows a repayable or non-repayable contribution of up to 40 percent. Our present Yukon Loans Program will fund an additional 25 percent, but requires a minimum of 20 percent equity. The Tourism project could have a complementary package of 35 percent equity, 40 percent Tourism EDA and 25 percent Yukon loan.

Another example is the Tourism EDA could provide 40 percent repayable or non-repayable contribution, Special ARDA could provide a 40 percent capital grant and the applicant could provide 20 percent equity contribution.

³³ The above examples will have to pass the test of being what the department calls incremental. I do not know if that is helpful to Members in explaining the order of priority for the department in considering these considerations, but the first consideration is the equity that the proponent brings themselves. The second question is the question of loan. The third, or lowest rank option, is the question of grant.

Mr. Lang: That is what concerns me. I appreciate what the

Minister has done going through the so-called application form to tick off the right box to say how much free money did I get versus how much equity, et cetera. My concern goes back to the principle of stacking, and the principle that, if one knows the system that well, or has somebody in his or her employ who has had enough experience with the government they can milk the public trough to the point that they will not have to put anything or very little in with respect to a project, to the point — in some cases — the government is being laughed at in some quarters, where the governments — federal and territorial — are putting money into projects and, within two years, these particular projects are up for sale.

Effectively, they have been funded by government and turned around and are going to make a nice dollar out of government-funded projects. It is one thing for you or I to stand up and say this is the federal government's policy. It is strictly grants. I recognize the debate that I and the Minister of Tourism went into for a lengthy period of time with respect to the question of the EDA. Has the Government Leader made formal representation by means of letter, or any other method, in respect to formally requesting the Government of Canada to review their programs to Yukon to see whether or not they can be converted into revolving loans?

Hon. Mr. Penikett: As the Member knows, and has been previously reported in the House, we did do that in Tourism, and they refused. The Member also knows that there will be a formal evaluation in the terms of the EDA process. We have and will be generating the response based on our dealings with the public and citizens here in terms of the review of those programs. It is the kind of sentiment that the Member opposite has expressed with respect to the potential abuse of grant programs that has been indicated to the federal government and will be indicated again.

At the moment when we have an opportunity to not only design or redesign our own programs, but to have an input into the design of the federal programs, will be the moment we have to have made those representations.

I would only say to the Member that, if he hears firsthand of someone having great entertainment as a result of a claim that they have built or fraudulently obtained money from the Yukon government, or have misrepresented the kind of enterprise that they have developed, or they are looking to turn over a quick buck by getting a lot of government money and then selling out, I certainly hope that the Member will do what any good citizen would do under those circumstances, and advise me or this department very quickly of such an individual, the name and the business it is associated with. We and the boards who are making the decisions of that kind would want to know very quickly.

Mr. Lang: I want to get this on the record. I am not accusing anybody of fraud or any fraudulent acts. What I am saying is that I believe the avenues and the eligibility criteria are such that people can get money quite legally through the channels, put into effect their project, and then put it up for sale in a very small amount of time. I want to make that very clear.

I do not think it is my job to wander around as a stool pidgeon. I think it is the government's position, quite honestly, that they should be monitoring this. They do have the staff to see what the effect of this money is having, especially within these small communities. It is called the "haves" and the "have nots".

I want to go back to my initial question, which has not been answered. Has the Minister made in the last six months a formal request to the Government of Canada, under the auspices of the Government Leader's office, that these programs be converted, at least in good part, to a revolving loan fund administered by the YTG, as opposed to this type of granting program?

Hon. Mr. Penikett: As the Member knows, because he has been told before, we have made the representation about revolving loan funds to the federal government and they have rejected them. The Member was saying people can quite legally get money and then sell off the business. I am sure he knows as well, as the former Minister for the EDA and Special ARDA, that you cannot sell the business off for three years. It is quite possible that you can do it after that.

Let me put into context the suggestion that there is some kind of

Christmas tree of grants available from this government or from the federal government. I passed around the sheet that provided the information on complementary funding, which followed up on a question from the Member. Out of a total of \$7 million that was issued, the amount of grants represented in that total was \$225,000 out of the EDA money. It is not a large amount of money that has gone in grants. I am looking at the figures under Renewable Resources.

The Members should understand that there is not, I think, a great difference of opinion on either side of this house with respect to the question of loans versus grants. The Member may like to know — and at some point I hope to be able to provide the House with some of this information — that there is contradictory opinion as to the usefulness of grants versus loans. I think this has to do in part with the administrative cost of collection and so forth.

Setting that aside, I have said that we will be making the representations when we have the next best opportunity to do so. We have not made any particular representations in the last six months, other than in conversations between our officials and DRIE and with federal people. I also would remind the House that the last time we made the representation to the federal government about revolving loan funds it was rejected.

Mr. Lang: That was one particular program, and it was in the Department of Tourism. As the Minister well knows, there are a lot more of other programs — I think a total of 40 programs — being administered between the two levels of government, for 25,000 people. We knock off 6,000 who are going to school, from the age between six and 17 or 18. Now we are down to 18,000. In the workforce, we are talking approximately 10,000, and we are talking down to 2,000 or maybe 1,500 who might be even interested in going into business, and we have 40 programs for them.

The point I am trying to make is that we feel that a very strenuous effort should be made to see whether or not the Government of Canada will revamp the requirements of some of these grant programs to a revolving loan. I do not think we should just accept a no from them. I think if there is a certain concentrated, concerted effort from the government, then I think they will effect change. I feel that if, in concert, we are represented at these federal-provincial meetings, if a well thought out formal presentation was made by our small government, we could maybe garner enough support from the western regions to have a look at a revamp of some of these programs. I do not think that, because they have been implemented since 1960, we should accept that it is going to go on forever.

Since we are going on for 4:00, I would move that someone change the clock to read 4:00 and that we have a coffee break.

Chairman: I believe the motion is out of order to that effect.

Hon. Mr. Penikett: I do not want to respond to the motion about the clocks. Suffice it to say that we will take the question under notice as to whether we should vigorously suggest that the federal programs should all be reoriented toward revolving loan funds. I will give an undertaking to take a look at that.

The Member should understand that a large number of the 40 programs, especially the ones that are being offered by the Department of Regional Industrial Expansion here, are not Yukon-specific programs. They are national programs. The likelihood of them changing a national program that is in midstream, entirely on the basis of representation from us, no matter how energetic or forceful, is slight. It would be unwise to convert some of these programs to a revolving loan fund, but I will be quite happy to take the matter under advisement and to take a look at it and think about it and talk about it with my colleagues.

The next best opportunity we have to make representations in a national forum on this subject — I regret not indicating this in speech — is at a Regional and Economic Development Ministers meeting here in Whitehorse towards the end of May — a federal-provincial conference that we will be hosting. That may be an opportune time to talk about some of these things.

I have not given this thing as much fanfare as I might have done otherwise. The last time it was scheduled to be here, the federal government cancelled at the last minute. I am going to wait until I see their plane tickets before I make too many loud announcements

about the intentions for this conference.

Chairman: The time now being 4:05 Pacific Daylight Time, Committee will now recess for 20 minutes.

Recess

³⁶ **Chairman:** Committee of the Whole will now come to order. We will continue with general debate on the Department of Economic Development.

Mr. Nordling: We have been given a sheet with projects with complementary funding on it from the Minister. Can the Minister also provide us with a list of the other applications under which loans or grants have been approved that were not complementary funded?

Hon. Mr. Penikett: I wonder if the Member would be specific about the program he is looking for. Is he looking for the Business Loans, Canada-Yukon Tourism Subagreement, Renewable Resources Subagreement, what else?

Mr. Nordling: Perhaps we could have all of them.

Hon. Mr. Penikett: I want to demonstrate what an accommodating person I am. Give me a second here. Let me see if I can offer a list and see if it would cover everything the Member wants.

How about the Trade Show Participation Assistance? Would the Member like that one?

He is not sure?

Mr. Nordling: Yes.

Hon. Mr. Penikett: Opportunities Identification? Business Loans Assistance Program? Canada-Yukon Tourism Subagreement?

Mr. Nordling: Yes.

Hon. Mr. Penikett: Renewable Resources Subagreement? Special ARDA? Prospectors Assistance? The Exploration Incentives Program?

Mr. Nordling: Yes.

Hon. Mr. Penikett: Okay. Maybe I could just ask the page to make enough copies for the Members. I will need one back for myself.

Mr. Nordling: I would like to thank the Minister for that. I do not have much more on general debate.

If there is anything going on in the Beaufort with respect to the development that will affect the Yukon, could the Minister update us on that area?

³⁷ **Hon. Mr. Penikett:** Briefly I can tell the Members that I have kept reasonably well in touch with Gulf Oil, who are the only people going back this year. They will drill two wells for further delineation of the Mobile field. Their plan is to ship the oil out the same way they did for their first experimental shipment, by tanker around the Alaskan coast to Asian market or Japan.

They flew here — I am trying to remember exactly when it was — I think February 14, to brief us on their plans for this season, to show us such interesting details as their ice maps and give us some technical information.

Since then I have had two further conversations with the company where we were exploring specific details about their application, our interest in it, which are, of course jobs, and business opportunities, and the linkages with that development with other potential developments. I would hasten to point out that Gulf were very quick to point out that they have long-range plans for the development of the oil in that area. It would involve a pipeline down the Mackenzie Valley connecting with the existing Norman Wells pipeline or one with perhaps a larger capacity. They are not, at this point, interested in subscribing to or supporting potential port development on the Yukon coast.

Mr. Lang: Just following that up with respect to the test cases they did taking fuel out by tanker, did they just totally disregard the concept of transportation of fuel via the tanker concept as opposed to pipeline?

Hon. Mr. Penikett: As I understand their assessment at this moment — of course it is looking ahead a little way — their preferred method of transportation is to pool with the other potential developments in the area and to ship by pipeline. The quantities they are talking about shipping by tanker are relatively small

amounts, and they are in the nature of experiments. Presumably they are still some years away from final decisions in that respect as they are away from final decisions about development of the field itself.

As you may know, a few years ago there was some concern that because of that company's exposure in both Hibernia and the Beaufort, that they would not, unless they were able to attract new partners, be able to develop both at once. It was a further political concern that would put its eggs in the Hibernia basket rather than the Beaufort basket.

There was one statement by Ms. Carney during the time she was Minister of Energy, Mines and Resources that seemed to indicate that the federal government was leaning toward the Hibernia rather than the Beaufort. I understand the new Minister, Mr. Masse, seems to indicate a kind of "hands off" approach, if you like, which indicates an approach where he would prefer an environment in which entirely commercial considerations come into play with respect to which development would go ahead.

³⁸ **Mr. Lang:** I just want to follow into one other area on development, if we are finished with the Beaufort. I would like to move on to the Selwyn Basin. Is there anything to update this House with respect to the developments of the Mactung Mine? I know the potential is there; I was just wondering if anything further has come to pass in the course of the last year or might come to pass in the future year. Maybe we could have a further update with respect to Cantung and discussions with that particular company on their plans?

Hon. Mr. Penikett: Let me deal with Cantung first. It is our current information that the world price and the situation of the company is such that they do not plan to reopen in the next few months at Cantung. I do not believe there are any early major developments in the case of the Mactung, although, just to be absolutely sure, I will go back and reconfirm with our officials what recent communications there have been with the company and report back to the Member through the House.

Mr. Lang: We have the Hudson Bay property there which is basically lead-zinc, and then you have, accompanying that, another property adjoining it as well, which I gather was taken over by another major company here approximately a year ago. I am just wondering, are there any further plans in respect to those major finds as far as future development is concerned?

Hon. Mr. Penikett: I think, given the line of questions the Member is pursuing, what I will do, rather than responding piece by piece, is table in the House a written report on all the current major prospects in the territory. It will indicate our assessment of which ones are close to production and which ones are not — as you know, flow-through shares have made a big difference to the picture for some companies — and give as comprehensive a report as I can, without making it a book-length document, to the House so that all Members can be apprised of our assessment of where the various projects are.

Mr. Lang: There is one other development that perhaps he may want to comment on as well. I appreciate the offer that has been made, and I look forward to that information. Is the Peter Kiewit and the proposal on the North Slope dead now, or have there been further communications in the last year with that particular company or companies that might be involved in such a development?

³⁹ **Hon. Mr. Penikett:** Without commitment, either of federal resources or an identification of potential clients, I do not believe the company is even in a position to develop a proposal in detail. At this point, given the current situation in the Beaufort and the situation in the foreseeable future, it has no clients that it can identify, no customers, no business.

As well, I believe the company was indicating that it would not be able to proceed laterally without a considerable investment of public dollars. There has been no indication whatsoever from the federal government that they are willing to invest money of the order of magnitude that was indicated.

Mr. Lang: One other area that the Minister could comment on is the Kotaneelee gas field. With respect to the field, is there going to be any expansion, or are there any other plans? It is the only gas

field that we have in the Yukon, and we sometimes forget it because it is so close to the border that it looks like it is in the NWT or BC?

Hon. Mr. Penikett: Again, I have not been given any current or very recent information on that, beyond what I am sure the Member opposite knows. I will add that to the list of things on which I will report back to the House. In my regular briefings, that is not something that has come up in recent months.

Mr. McLachlan: I have been approached at one point recently by a prospector who has a reasonably good looking development, but it is a rare earth mineral, galium. If a prospector makes an approach to the department that is outside the scope of the technical expertise of that prospector, and requires outside advisory assistance, is the department in the position to be able to assist prospectors in the field where they do not have a lot of experience in the minerals that would be most useful in the Yukon, like gold, silver, lead, zinc? In a case such as this, how would you handle a request on a specific mineral that is not common?

Hon. Mr. Penikett: I do not know how many cases there are like that. I would hope that we would be able to be, in a general way, of as much assistance to someone like that as to someone who is dealing with a more known commodity.

If we are dealing with something like an application for Prospectors Assistance, or something involving that, I would not want to see us retaining consultants to spend more money considering whether we should approve a consideration that is actually a much smaller amount of money. We do have programs like Opportunity Identification, which may be used for a project that does not fit neatly into other categories.

In the Mineral Incentives Program, if we were talking about a property that is close to development, I do not see why a product like that would not qualify. We are not limited to base metals or precious metals. Again, if the Member could give me, privately — in this specific case he is talking about and this specific individual — I will communicate with him privately in response to the facts.

Chairman: If there is no further debate, we will proceed with Administration.

On Administration

Mr. Nordling: I believe the Minister explained to some extent the 46 percent decrease from \$651,000 to \$354,000 under the administration line. I believe the Minister said something about the NCPC costs being taken over by the YDC. I would ask the Minister to explain that decrease to us again.

Hon. Mr. Penikett: I believe, and I am going on memory, we spent last year \$264,000 in connection with that transfer. Much of it was to the consultants who were originally retained by the former Government Leader, the Intergroup Consultants from Winnipeg. There were also some legal fees associated with that transfer. The legal fees were \$60,000 plus. Intergroup was \$146,000 plus. And there were also local legal fees.

We also had one professional services contract in connection with the Watson Lake Forest Products.

Mr. Nordling: The \$354,000 is made up of \$295,000 personnel and \$59,000 other. I see that we are up one person year, from 5.5 to 6.5, and under personnel we are up from \$286,000 to \$295,000, which is just an increase of \$9,000 for one person year. It is pretty reasonable. Perhaps the Minister could explain how we get a full person year for that amount.

Hon. Mr. Penikett: This is the budget amount for full staffing, including the Assistant Deputy Minister that I was talking about. Some of the costs that showed up as Other last year would show up as Personnel this year because of the demand on the administration. In some cases there was use of casual and secretarial services. For example, the amount this year budgeted under Personnel would be sufficient to cover the full staffing of the positions that we have here.

Mr. Nordling: In general debate, the Minister did mention that he would be able to provide the breakdown in each department of the personnel and how much is salary, how much is benefits and how much is travel. I would ask that the Minister provide that for us, and a breakdown of Other.

Hon. Mr. Penikett: The salaries under general administration,

which includes the positions of deputy minister, secretary, assistant deputy minister, manager of finance, recoveries clerk, administrative assistant and a half person year for librarian, for a total, including benefits and the 12 percent benefits of 28 percent, of \$295,000. That personnel money is the salaries for the person years identified.

The Other breaks down as follows: travel, including outside and inside travel, \$16,100; supplies, \$15,000; rentals, \$7,800; entertainment, \$2,500; repairs and maintenance, \$500; postage and freight, \$1,000; program material, \$4,600; communications, \$9,100; assets like pocket calculators, dictaphones, et cetera, \$2,000; membership fees in the Chamber of Commerce, \$100; for a total of \$58,700.

Mr. Nordling: When the Minister gave us the figure of \$295,000 for salaries, he mentioned \$266,000 plus the 28 percent to bring it to that. What does the 28 percent represent?

Hon. Mr. Penikett: It is \$266,700 times 12 percent for benefits, which is the normal calculation, which amounts to \$28,600, to bring the total to \$295,000.

Mr. Nordling: I see. Thank you.

Chairman: Anything further on Administration?

Mr. Lang: How much money is going forward? I see we have \$59,000. Is that primarily to go towards consultants and that type of thing?

Hon. Mr. Penikett: I just detailed the \$59,000. In broad numbers, it was: \$15,000 travel; \$15,000 supplies, and then there were a number of other items including rental of entertainment, repairs, maintenance, postage, program materials, communications and consumable assets. The record will show I detailed it just a minute ago.

Administration in the amount of \$354,000 agreed to On Energy and Mines

Mr. Nordling: Perhaps the Minister could give us the detail on the 49 percent increase in Administration?

Hon. Mr. Penikett: That represents the change that is for the full staffing for the two person years for the year.

Mr. Nordling: Looking at page 88, Personnel, it has gone from \$242,000 to \$344,000 and I believe we have seven person years identified in 1986 and seven person years in 1987. I wonder how we have increased personnel costs by \$100,000?

Hon. Mr. Penikett: We had two positions that were vacant for much of last year. They are staffed now and we will be assuming in this budget that we will be paying the full staffing.

Mr. Lang: I just want a clarification for the record again in respect of the rental of space. My understanding is that Economic Development is moving into the Main Street of Whitehorse and it is going to be a significant amount of money. Are the leasing fees for that particular dwelling located in this area, or where?

Hon. Mr. Penikett: As they are for all government departments, they are found in the Government Services budget.

Mr. Lang: You must have had an idea of just exactly about how much money it is going to cost for the rental of that space as opposed to the space that we used here.

Hon. Mr. Penikett: I do not have it off the top of my head. I could come back with it, or in any case I will take the question as notice for my colleague, the Minister of Government Services.

Mr. McLachlan: The Minister earlier referred to two people working in the Department of Mines who could provide this information on mining. Is one of those positions the director, and if not, what are the two positions?

Hon. Mr. Penikett: There is the Director of the Branch who is responsible for Mines and Energy. It is a gentleman, as the Member for Faro well knows, who has a mining background. There is the Mining Policy Analyst and the Mining Programs Officer.

Mr. Lang: In view of the fact we are in the area of energy, perhaps the Minister could just give us a brief rundown. He talked about the legal costs of the transfer of NCPC; were the costs taken strictly out of the Department of Economic Development?

Hon. Mr. Penikett: Yes. It came out of the Administration Vote for last year.

Mr. Nordling: Carrying on under Personnel, Other has gone down from \$170,000 in 1986/87 to \$86,000 this year. Perhaps we

can hear from the Minister on that line.

Hon. Mr. Penikett: I am sorry; the Member was comparing the \$170,000 with \$86,000?

The \$170,000 for 1986/87 represented the program costs such as communication and research materials and also, as I mentioned, because we are capturing the acquisition of NCP, costs were transferred to administration, costs for consultant studies, because either the personnel were not available to undertake the research or the specific expertise required was not available in the department. We did an advertising campaign here in the fall and the spring for mining programs, which amounted to \$72,000.

If the Member will give me a second, I will give the detail for the \$86,000 for this year. It represents the program costs for the fiscal year including advertising costs for one campaign, communication and travel, and so forth, for the people in the department. The major changes resulted because of the reduction to one advertising campaign this year; studies were going to be undertaken in-house where possible rather than using consultants.

Mr. Nordling: If the Minister has the detail in front of him, could he quickly give us the figures for the communications, travel and ad campaign?

Hon. Mr. Penikett: If the Member is asking for the detail in the \$86,000, under Other, if he will give me a minute, I will get it.

The Member must understand this is for the whole Energy and Mines Branch. Travel will be \$7,900; entertainment, \$1,000; communications, \$4,700; membership fees and Yukon Chamber of Mines, Klondike Placer Miners Association, \$200; for a total of \$13,500.

Under the administration for the Mines Section, travel in the Yukon is \$3,100; travel outside the Yukon is \$5,900; advertising, \$30,000; program materials, \$3,000; communications, \$3,600; membership fees, \$200; for a total of \$45,800. This gets us to \$59,000.

On the detail on the Energy side, there is travel involved with the SEAL program within the Yukon, \$3,100; outside travel, \$5,800; rentals, \$3,700; advertising in connection with the energy program, \$6,000; program materials, research materials, reports publications, printing brochures and so forth, \$3,500; communications, \$4,200; for a total of \$26,300.

I believe that adds up to a total of the \$86,000 here.

Mr. Nordling: The advertising under the Mining Branch was \$30,000. Could the Minister tell us what sort of ad campaign that is going to be?

Hon. Mr. Penikett: The ad campaign will be to advertise the basic programs that we were offering, which, as the Member knows, were complimented by the *Northern Miner* last year: the Prospectors Assistance Program, the Mineral Incentives Program, and the Roads to Resources Program, and the general information about the investment prospects here.

Mr. McLachlan: I have a question on the federal power subsidy. There are figures later on in the YDC that show a \$4.3 million profit. On the books at the moment, as soon as the Minister of Government Services can make his mind up which direction we are going to go, there is a rate application by Yukon Electrical. It gives the impression that we may be seduced with our own money. That is, there is a subsidy, but we are being asked to pay more from the front end. If there is money to continue the subsidy, is there a bona fide case to go ahead with a rate increase? Why not drop the subsidy and keep the power rates down?

Hon. Mr. Penikett: I think the question contains several assumptions that are confused. Yukon Electric has a rate increase application that, I understand, they have agreed not to pursue until July 1 of this year. That is a rate increase in connection with their own administrative costs.

We have an agreement with Canada that is about the base power rates, which, by agreement, we will not increase for a minimum of two years. Part of the agreement with Canada was \$19.5 million, which they gave us in lieu of the subsidies for 20 years. It is an equity grant. It gives us the capacity to continue the subsidies.

We have agreed with Canada not to change the rates. However, what we do with, and how we arrange, the subsidies is our business. As I said earlier today, we will be working on that in the

foreseeable future.

⁴⁶ *On Administration*

Administration in the amount of \$109,000 agreed to

On Mining

Mining in the amount of \$157,000 agreed to

On Energy

Mr. Nordling: Under Energy there is \$228,000 and on the next page we have a transfer payment of \$64,000. Is that part of the Energy and, if so, could the Minister tell us what the \$64,000 is?

Hon. Mr. Penikett: The \$64,000 represents payment under the Wood Smoke Control Agreement we have with the City of Whitehorse. This is the agreed amount for this year.

Energy in the amount of \$228,000 agreed to

Energy and Mines in the amount of \$494,000 agreed to

On Economic Policy, Planning and Research

Mr. Nordling: Perhaps the Minister could go through and give us some detail on Personnel and Other. We have gone up in Personnel from \$349,000 forecast for 1986-87 to \$515,000 in 1987-88. I would like a breakdown of what positions that includes. I see we have gone from eight to 11 staff.

Hon. Mr. Penikett: I believe I explained it in my opening statement. Of the number of the new positions that were terms in the Policy, Planning and Research Branch, there is an addition of three term positions there: Secretary to the Industrial Benefits Officer and the Economic Planner. They are two-year terms.

The dollars for the Economic Policy and Planning Branch are as follows: for the Director, the Secretary and the Policy Analyst, there is \$147,100; for the Research line there is a General Economist and an Econometrician, for a total of \$103,600. In the Economic Planning Section there is Manager, Economic Planning, Economic Planner, a Secretary and one other Planner, the latter two of which are new positions I previously described, for a total of \$177,800. Under the Major Projects Line there are two positions: they are Major Projects Officer and a Benefits Officer. The total salaries under those lines are \$86,600.

Mr. Nordling: I have not had a chance to add up those figures that we were given. Is it safe to say that the full \$166,000 difference is made up by those three term positions?

Hon. Mr. Penikett: Just let me check the arithmetic. That should be the bulk of it. I will just doublecheck the totals.

Chairman: Are there any further comments?

Hon. Mr. Penikett: You could continue while we are just checking those numbers.

Mr. Nordling: There has been a considerable reduction in Other from \$799,000 down to \$357,000. I understand the bulk of that is that Yukon 2000 is nearing completion, and there will not be as much spent on consultants as there was last year. I would like to have a breakdown of the \$357,000.

Hon. Mr. Penikett: Is the Member asking for the detail on all the Other under the Branch, or just under the line?

Mr. Nordling: I was asking for it under the total of \$357,000. Perhaps the Minister can give it, if it is more convenient, under each of the headings.

Hon. Mr. Penikett: I will do it that way. It is not the most convenient way to present it, but I will if the Member will bear with me.

⁴⁸ Let me start with the Administration line. That would make more sense. Under the Administration line, the Other consists of \$18,500 for travel; honourarium for the Yukon Economic Council, \$20,800; entertainment, \$1,800; program materials, \$5,000; communication, \$12,700; membership fees Conference Board of Canada, OECD, Chamber of Commerce, et cetera, for \$3,000. Under the Research line, we have travel, \$5,300; contract services, \$45,000; entertainment, \$5,000; program materials, \$1,000; communications, \$3,900; for a total of \$60,200.

Under Economic Planning, we have travel, \$35,000; contract services, particularly in connection with Yukon 2000, \$120,000; rentals, \$15,000; supplies, \$5,000; postage and freight, \$5,000; advertising, \$10,000; program materials, \$25,000; communication, \$13,200. On Major Projects, we have travel, \$2,300; communication, \$3,700; for a total of \$6,000.

Mr. Nordling: It appears that we were doing all four lines at

once here, so I will not change the system right now. I would like to refer to the Research line. In Other there was \$45,000 identified for contracts. Could the Minister give us an idea or breakdown of what he sees will be contracted under this line, and also under Economic Planning, contracts for \$120,000?

Mr. Penikett: There are two broad categories under the research line. One is community economic data, expanding the data base and analysis of local economies. We have \$20,000 for contract services there. Developing the data base on the Government of Yukon and private sector expenditures to provide information necessary to properly analyze import substitution opportunities — that is \$25,000 in economic research.

The Member also asked about the contract services under economic planning. They involve \$100,000 reduction of industrial sector and cross industry reports and data all in connection with the Yukon 2000 process. For final conference coordination and other workshops, we have \$20,000 for contract services under there.

Mr. Nordling: The \$35,000 for travel in the economic planning — perhaps the Minister can explain who will be doing that travelling.

Hon. Mr. Penikett: The employee travel in Yukon will be \$6,600. The employee travel outside the Yukon will be \$3,300. The \$25,000 for the other travel will be for travelling expenses of non-government people who will be attending the industry workshops and the final conference of the Yukon 2000 process.

Mrs. Firth: Has all of the \$250,000 that was identified for Yukon 2000 in last year's budget been spent?

Hon. Mr. Penikett: The latest costs attributable to Yukon 2000 out of the Department of Economic Development are \$222,230. Of this amount, just over 20 percent is for contract project assistant, as Economic Development had only two permanent staff on the project last year. About one-third of the project costs for the two conferences include significant costs for delegate travel.

Members should understand, as was previously explained, there are research projects associated with Yukon 2000 that are being done in Community Transportation Services, Education, Renewable Resources and so forth, and the federal government as well. That does not wrap up the total costs.

Mrs. Firth: Can the Minister tell us when he will be in a position to give us the total cost of Yukon 2000, including the costs from all the departments and governments?

Hon. Mr. Penikett: I will not be able to give final costs until the project is finished later this year. I can do an estimate of what it is going to cost this department, and we can do an estimate of what it is going to cost at this point, but before the year end, I think I will be able to give a summary cost. I will be happy to give an undertaking to the Member and the House that we will provide that information.

Mr. Lang: With respect to all the studies that are taking place by the government, for example the laminated beam study and studies of this kind, I would like to know if we have a list of ongoing studies that are being undertaken by this department and other departments so we have an idea of what the government is doing?

Hon. Mr. Penikett: I can, because I think I have recently seen one, table in the House a list of studies that have been done because it is part of the Economic Development's mandate to make sure that we avoid duplication, but also to provide information to people on research that has already been done in an area.

As to projects that are ongoing or just starting in this fiscal year, I do not expect that there is much that has been started anew, but I will be happy to give a report to the House at some near point on studies that have been done and studies that are ongoing.

Mr. Lang: I see the Deputy is here so perhaps we can make this observation. First of all I understand the commitment has been made that we will get a list of all the studies that have been done in the past year vis-a-vis this department and all other departments as well. The government has made that commitment to us. We are not expecting it today, but within the next week or so. Even if it is after the Session, I would like that information so we have knowledge of what has taken place.

Hon. Mr. Penikett: I will canvass all the other departments,

especially the ones that relate to our economic programs. I should be able to say to the Member, if he does not ask the question in that exact form, I believe we have a catalogue of economic studies that have been done by us or the federal government or other people, not only in the past year but in previous years. That may be useful as a reference document for the Member, and I would be prepared to provide that to the House. I think we could do that very readily.

Mr. Lang: Maybe the Members of the House could have an update, on a quarterly basis, of what studies are either starting or completing with respect to what the government is doing. Could I get that as a commitment as well?

Hon. Mr. Penikett: I do not know if I can do that on a quarterly basis, but I will take the question under notice and see if there is something that we can do.

*Administration in the amount of \$210,000 agreed to
On Research*

Mr. Lang: I have a question on the gluelam beam study that was undertaken. I do not know if this is the area or not. Could he update the House with respect to that?

Hon. Mr. Penikett: The study was done, as the Member knows. I believe there have been two potential investors identified. The work, in terms of an assessment about this government's needs, for example, as one potential customer, have been done. Our decisions about funding and decisions about our commitments in that area have not been made. We will be considering those in the next few weeks.

Mr. Lang: In view of the fact that the government, indirectly, is getting into the furniture business, could he update us with respect to what has taken place, and any government commitments?

Hon. Mr. Penikett: In connection with furniture, all initiatives — and I do not believe there are any new policies — come from the Department of Government Services. I will take that question as notice on behalf of the Minister of Government Services. He can provide a reply when we get to that Estimate. There is nothing that the Department of Economic Development has done in connection with furniture, other than the one study, about which there is already knowledge in the House.

*Chairman: Is there anything further on Research?
Research in the amount of \$163,000 agreed to
On Economic Planning*

Mr. Nordling: I do not know whether we have covered it, but I would like to hear from the Minister if there is anything new in this area that we should know about. We have a 33 percent decrease. I assume it is attributable to Yukon 2000, but I would like to know if there is any new planning area or project that we have not heard about.

Chairman: The major obligation of this operation the coming year will be the completion of the Yukon 2000 project. That is, believe me, more than enough for them to get their teeth into. They will not, as far as I know, be given any big new ventures in the coming year. It will be completion of that project that will be the major task.

Mrs. Firth: I would like to follow up on what the Minister said about the major objective being the completion of the Yukon 2000 project. What does he mean by completion? Does that mean just the research and so on has been finished, the final meeting, or does that mean implementation?

Hon. Mr. Penikett: The final conference will happen in this calendar year. There will be a draft strategy going into that. There will be a revised strategy coming out of that conference. Implementation will not, of course, fall entirely on this department, or even entirely on this government. The various detailed recommendations will have go forward to Cabinet, but also to departments and to industry groups. The private sector will be making its own decisions in the time involved whether they accept the recommendations, as will government departments and, indeed, the government itself. I would expect it will be some months following that before the government makes its final determination about what recommendations it would be doing when, which of them it will be able to do immediately, and which it will not be able to do immediately for reasons of costs or economic or social situations.

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

Recess

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

Hon. Mr. Penikett: Just before we get into the discussion on major projects, I would like to table for the House — and unfortunately I only have one copy and I do not think I can conveniently get copied the 318 pages that this represents — a joint publication of Canada and the Government of the Yukon, which is Yukon Economic Planning Studies 1965 to 1985, an annotated bibliography, which is partially in response to a question asked by Mr. Lang earlier about all the economic studies. There will, at some point in the future, be an update done on this. If that will suffice for the Member, I will provide this one copy, table it, and the update when it comes.

Mr. Lang: I appreciate the Government Leader tabling the information. When does he expect the update to be done? Does he have any idea?

Hon. Mr. Penikett: I am sorry I do not; we are just talking about that now, and when I know I will tell the Member.

⁰¹ *On Major Projects*

Mr. Nordling: Could the Minister tell us what the \$93,000 consists of?

Hon. Mr. Penikett: The largest part is personnel and related costs for two person years for the fiscal year. I think I have already given the Member the breakdown on the Other. I think I have also previously explained the two offices that are associated with that line.

Mr. Nordling: I think I have the rest.

Mr. Lang: We appreciate the information such as tabled earlier today. There may be some questions with respect to how some of this money is being spent. Where would we ask those questions? In Small Business?

Hon. Mr. Penikett: The next program is the Small Business Program. Most of the information requested is delivered through that shop.

*Major Projects in the amount of \$93,000 agreed to
Economy Policy Planning and Research in the amount of
\$872,000 agreed to*

On Small Business

Mr. Nordling: I am prepared to go on to the line items. Our questions will come under each line.

Mr. Lang: I have a general question. Is any work being done with respect to the question of the cost of fuel here in the Yukon? Is the government looking at the reasons why our fuel is so expensive, as opposed to when you see the sale prices down south?

⁰³ **Hon. Mr. Penikett:** We have begun to take a look at that question, and some questions arose, I believe, from the Member for Faro and the Member for Riverdale North some months ago.

Mr. Lang: Just to follow this a little further as there were questions in the last session. Are you looking at a comparative study? Could the Minister outline a broad conceptual overview?

Hon. Mr. Penikett: I believe we tried to answer the questions asked last session in terms of the information we could get. We are really trying to establish the pricing structure for fuel from the various sources and by various transportation routes into the territory and see if we can reach any conclusions from that information.

Mr. Lang: Is this being done internally, or is this someone you have contracted to do the work?

Hon. Mr. Penikett: We have employed at least one consultant whom I know of on this project. We will be doing further analysis internally, which will involve not only this department but, conceivably, as well, the Department of Finance. Of course, they collect revenues from that source.

Mr. Lang: I hate to be so persistent on this. I know how government works as far as studies are concerned. I know of what I speak, let us put it that way.

What timetable are we putting on this with respect to seeing whether or not there is anything that can be done with respect to the price of fuel.

Hon. Mr. Penikett: I hope that I will have something to report within six months. Of course, the problem is not new. Whether at

that point I will have solutions or remedies, or anything like that, I cannot say. I am not promising that, but I think we will have reached the conclusion of our internal work by that point.

⁰⁴ **Mr. Lang:** There was a study done I believe about nine or ten years ago. I see the Deputy Minister nodding his head. I want to bring to your attention that there has been some work done in the past, and it is there. It may be a starting base to at least provide some information to the government with respect to background.

Hon. Mr. Penikett: We will check into that.

On Administration

Mr. Nordling: Could the Minister explain what has happened to bring the Administration down 31 percent from \$170,000 to \$103,000?

Hon. Mr. Penikett: I think the reduction there will result from the effort, which would improve in the coming year, to do any necessary research in-house wherever possible rather than utilizing consultants. If the Member wishes, I can give a more detailed breakdown of the number.

Mr. Nordling: Yes, I would appreciate a more detailed breakdown. Perhaps it is just a shift of personnel to one of the other lines. It would be nice to know how the Small Business is being administered.

Hon. Mr. Penikett: The other reduction, we have last year spent \$30,000 on promotional material for the programs and this year anticipate spending only \$10,000. That is the other change in the non-personnel there.

⁰⁵ Last year, in addition to the consultants whom we used for studies due to vacancies in positions throughout the Branch, which were charged to this item, we also had the cost for a casual clerk-typist to assist with the workload and the start-up of the Business Development Office. As you know, I indicated earlier that we are hiring a secretary to serve the five officers.

Mr. Nordling: It is still not clear to me where the \$67,000 has gone. We have \$10,000 less for promotion, and it seems that we have added a clerk-typist. The person years have gone up from eight to 10, and personnel from \$345,000 to \$463,000; that is \$120,000 for two additional people. Yet, general administration has gone down \$67,000.

Hon. Mr. Penikett: The salary cost for the personnel under Administration is \$67,500. The Other costs, which make up the \$103,000, are \$35,900. The reduction in the advertising costs is, as I mentioned to the Member, not a \$10,000 reduction; it is a \$20,000 reduction.

This is the minimum administrative establishment. This year there is no, as I say, cost for the casuals. There is no allocation for consultant studies in this area, because it is deemed that they will not be needed in this year. As well, there is the reduction in the advertising costs.

⁰⁶ **Mr. Nordling:** Which department will the \$120,000 increase in personnel costs come under? Which line? Business Assistance, Resource and Community Development or Financial Programs? I do not see where it is.

Hon. Mr. Penikett: I will pull that together. Perhaps we could go on to another question, and I will explain the \$100,000 plus increase.

Mr. Nordling: Perhaps we could go on to the next line, to Business Assistance. I know there are some questions about the grants and the loan programs.

Chairman: Before we move on to the next line item, Mr. McLachlan?

Mr. McLachlan: In Administration, the Minister has talked about secretarial help for five Business Development Officers. Is that number made up of three in the rural areas and only two here in Whitehorse? Does that include the new position for Ross River?

Hon. Mr. Penikett: It is not for five Business Development Officers, per se. It is for five staff in that office. That is who the secretary will be serving. If the Member wishes, I could give him a list of the five, but it is not a secretary for people outside of Whitehorse.

Mr. McLachlan: Is it not true that the secretary is mainly for serving those people who are in the loan assistant or business development officer position?

Hon. Mr. Penikett: The positions the secretary will serve are the Economic Development Officer, Whitehorse; the second Economic Development Officer, Whitehorse — the Member is right — also the Economic Development Officer in Watson Lake, the Economic Development Officer in Dawson City and the Economic Development Officer in Ross River-Faro. My apologies. I was wrong.

Mrs. Firth: I have had a chance to look at the information the Minister gave us before we broke regarding the grants and the loan assistance program, the Prospectors Assistance Program, Opportunities Identification Program, Trade Show Participation and Exploration Incentives Program. I recognize these were his working notes. Could we get some more information, particularly on the Renewable Resources Subagreement and the Special ARDA and the Canada-Yukon Tourism Subagreement? For example, a lot of them are abbreviated, and it is very difficult to know what they mean. What does YLLA mean, and what does Northern Splendour and Northern Splendour II mean?

Hon. Mr. Penikett: I assume the Member is asking for not only the name of the project, but the purpose of the project and the nature of the enterprise that is being engaged in. I see no reason why we cannot provide that information. I hope the Member will be patient, because I do not think I can get it tonight. It may take a while to type up and pull the files, and so forth. If I can take the question as notice, I will get back to the Member with that information.

Mrs. Firth: I would appreciate that, because the government has given that information before when I asked for it. I will be specific so officials are not put to more work than they need be.

I think the Prospectors Assistance Program is pretty well self-explanatory.

When we come to Renewable Resources Sub-Agreement, the information that we have been given before includes the project, the applicant and the costs. Project includes not only the name of the company but the applicant's name as well, so could we have that for Renewable Resources?

We would like that for the Special ARDA also so we know what we are talking about. Ones that are self-explanatory, we do not need a lot of detail, but some are not quite as clear as others. Particularly for the Canada-Yukon Tourism Sub-Agreement, if we could have the project name, applicant and cost again, and a brief explanation of what the program or project did or was?

Just to give an example of the kind of information we got before, the Yukon Game Farm was used as one project title. Danny Nowlan purchased a breeding herd of elk, and the Yukon Trappers' Association produced video of snaring techniques — just so we have an idea of what the project is, otherwise we do not know what the expenditure has been for.

Hon. Mr. Penikett: I will get that information for the Member.

The difference between the \$107,000 in personnel between this year and last is not only made up of the two new positions, but also the Member will understand that last year there were, for a period of months, four vacancies, which partly account for the difference in total personnel costs. We had vacancies in the rural Business Development Offices, the Commercial Development Officer, a vacancy in the Chief Financial Officer position. These, of course, were salary dollars that were lapsed for the period the positions were vacant.

Mrs. Firth: Just to add to that request, I left off at the Canada-Yukon Tourism Sub-Agreement. There is also the Business Loans Assistance Program because quite often there is an overlap with one project. The Opportunities Identification Program just lists the name of the business, but does not really give any indication of what was accomplished with that allotment of funds. I think that will complete it.

Hon. Mr. Penikett: I will get that information in writing for the Member.

General Administration in the amount of \$103,000 agreed to On Business Assistance

Mr. Nordling: Could the Minister just give us an outline of what the \$405,000 is made up of?

Hon. Mr. Penikett: The \$405,000 represents cost for six person years for the fiscal year, including personnel costs for a new

clerk-typist position and the new Ross River-Faro development officer. The \$327,000, which the Member will wish to compare it with, represents the initial costs for the start of the Business Development Office, including such items as advertising, supplies, et cetera, and studies undertaken by consultants due to vacancies in positions. The \$405,000 represents full staffing of six person years.

Mr. Nordling: Just to be clear, the \$405,000 is strictly salary personnel expenses with very little for anything else. Is that correct?

Hon. Mr. Penikett: It is not strictly personnel. There are three elements. There is the \$247,000, which is personnel costs; there is \$83,300, which represents travel, honoraria, rental, postage, freight, program materials, communication and other; and, then there is a third element, transfer payments, which makes up the core funding and trade show participation, and those kinds of things.

Mr. Nordling: Does the Minister have the figure for the transfer payment? We have \$247,000 and \$83,000. That leaves about \$75,000. Would that be the right figure for the transfer payments and trade show assistance?

Hon. Mr. Penikett: We have budgetted \$45,000 for core funding and \$30,000 for trade show participation.

Mr. Nordling: Can the Minister break down the travel and honoraria further? What are the honorariums for?

Hon. Mr. Penikett: The honoraria for the Loan Advisory Board: 20 meetings, five members, \$100 per meeting, for a total of \$10,000. The travel in Yukon is \$12,000 for the travel expenses for the Loan Advisory Board for rural members to travel to meetings. The Other travel, \$15,400, is for travel within and without the Yukon for employees.

Mr. Nordling: Just to finish, that is about \$40,000 for the Advisory Board to travel within and without the Yukon. Does the Minister have a breakdown of what the other \$40,000 is?

Hon. Mr. Penikett: There are: program materials, which is the purchase of specialized research material, publications, emergency planning of applications, printing of promotional material, which represents \$26,500; communications and telephone, et cetera, \$14,400; \$1,000 for the membership fees, Yukon Chamber of Commerce, community Chambers of Commerce, Downtown Businesses Association and Target Downtown Development Association of Canada. In addition to that is \$2,000 in rental of facilities for community meetings, space at trade shows, workshops, seminars, et cetera. Postage and freight are another \$2,000.

Mr. McLachlan: The term position, in this case, is the term position for the Economic Development Officer for the Ross River-Faro area. Is that correct?

Hon. Mr. Penikett: That is one of the terms, yes.

Mr. McLachlan: I see only one term in this particular program.

Hon. Mr. Penikett: Sorry, that is the one term in this program.

Mr. McLachlan: What was the rationale behind determining that the Economic Development Officer in the Ross River-Faro area would be a two-year term position to 1989? If one read in between the lines wrongly, one could get the wrong understanding from the way the job description is drawn up.

Hon. Mr. Penikett: Originally, it had been my intention that we would not put an officer into the Faro and Ross River area until we had determined, based on sufficient experience — being more than a year, preferably two — gained in Dawson City and Watson Lake, in terms of the caseload of the officers and the success of those satellite operations.

As the Member for Faro knows better than anyone, we were lobbied enthusiastically, persistently, energetically and unrelentingly to put an officer there. Secondly, we discovered that a number of things that we would like to have seen happen, in terms of the maximization of business opportunities resulting from the opening of the mine in Faro for people in the area, including people in Ross River, were not happening at the speed and pace that we would like. Rather than having people commute from Whitehorse to try and arrange these meetings, we concluded it would be better to have someone in the location. If we follow the recruitment pattern we did elsewhere by consulting with the local Chamber and the local band and the community, we thought we could find someone who would

be acceptable, both to the band in the area and to the local business community and to the communities in general. The kind of person who would receive a vote of confidence for both those people would be the kind of person who could marry business opportunities with a potential that is in the communities and help put them together. It is the situation there, with the mine being open and the benefits that Ross River had hoped to achieve from that opening, which caused me to move on the decision earlier than I would have liked. It is a term position, because I did not want to commit ourselves to a permanent position there until I know whether it will pay off, in terms of benefits for not only Faro, but also for Ross River.

Mr. Nordling: I understand there is going to be a business officer in Pelly, too. Where do we find that position?

Hon. Mr. Penikett: There is not going to be a Business Development Officer in Pelly Crossing, as such. We will have a contribution agreement with the Band for them to hire their own Economic Development Officer, and we will participate in the hiring. We essentially have a contribution agreement.

I want to put that in context. We, as you know — having people in Watson Lake, Faro, Dawson and Ross River — have still had outstanding requests from several other communities to have officers in them. At this time, I do not believe we could justify putting in a full-time person in a lot of these communities. In the case of Pelly Crossing, we are talking about a pilot project for 18 months on a contribution agreement. All of the 12 bands have asked us to fund similar positions. I have said no, that I did not believe that was reasonable and practical at this time. Instead, officials in our department have met with the federal government and with the CYI, all of whom are separately funding Economic Development Officers of one kind or another, and we are going to attempt to facilitate some kind of coordination between those agencies, if you like, in terms of making sure that every community is in some way adequately served with this kind of professional or skilled advice. We are not going to be paying for them all. In fact, I am attempting to see if we can, if you like, informally pool or coordinate our resources. DIAND has Economic Development Officers, CYI has people on staff and we have people on staff. Rather than duplicating the effort and tripping over each other, I believe that by working together we can achieve some coordination, perhaps some common training programs, perhaps much greater efficiency in terms of the delivery of the services that the communities are asking for.

This project is a pilot project. We will want to watch very carefully and see how it works out, as we will the projects in other communities. I believe the Kwanlin Dun, for example, can be adequately well served from the offices in Whitehorse. Champagne-Aishihik, through another program, has its own Economic Development Officer. We will hopefully, through coordinating and pooling our resources, be able to ensure the other communities have a similar level of service.

Mr. Nordling: How much is the Contribution Agreement for and when does it start?

Hon. Mr. Penikett: The Contribution Agreement will be for \$57,000, and it shows in the Community Economic Development Project on page 93 under Grants and Contributions. As to recruitment, I believe it is going on right now.

Mr. Lang: \$57,000 for one position?

Hon. Mr. Penikett: That is for all costs, such as travel and all other chairs associated with the position.

Chairman: Anything further under Business Assistance?
Business Assistance in the amount of \$405,000 agreed to On Resource and Community Development

Mr. McLachlan: Can the Minister give us a description? The community development part of it I can understand. What is the resource development part of this line item?

Hon. Mr. Penikett: The briefest way I can say it is that it is commercial development of renewable resources. The Member may recall, we previously described to the House the lion's share of responsibility for renewable resources falls in the Departments of Renewable Resources mainly and, in a way, Tourism. The Department of Economic Development has a role in the commercial

development of these things. We decided that, since there was a lot of commercial potential that was unrealized in the renewable area, the dollars we are committing here were to enhance our efforts in terms of developing the commercial possibilities, whether it is in forestry or fishery or fur garments, or those kinds of things. This is the commercial side of the renewable resource development.

Mr. Nordling: I just asked the Minister to give us a breakdown of the \$153,000.

Hon. Mr. Penikett: There are two positions associated with this activity: the chief of Resource and Community Development and a development officer. The salary and benefits associated with these two positions are \$95,100. The Other costs are travel, \$6,700; rental — that is for community meetings — \$2,000; postage and freight, \$1,000; advertising for programs, meetings, brochures, et cetera, \$10,000; program materials, that is specialized research materials, publications and reports, \$5,000; communication, telephone, et cetera, \$7,200; membership fees, \$1,000; for a total of \$32,900.

Under this we have \$25,000 that is for core funding of those economic organizations involved in this area, such as the Forestry Association.

Mr. Nordling: Can the Minister tell us how much it is for the core funding? I suppose it is approximately \$30,000?

Mr. Nordling: I heard the Minister say \$25,000 and that accounts approximately for the \$153,000. Thank you.

Mr. Lang: I have a question that has to do with a question I put during the last budget. That was the question of Special ARDA and the representation on the committee. Could the Minister outline to us who is on the committee and, specifically, who represents the business community?

Hon. Mr. Penikett: There are 11 people on the committee at the moment. There are three territorial seats; one is vacant. Would the Member like me to read the list or just to circulate it?

Albert James, from the CYI, is the Vice-Chair responsible for economic programs; Rene Frost, Old Crow Band; Richard Moses, from Mayo; Patrick James, from Carcross; Jackie Worrell, from Whitehorse, representing the Dawson Band; Al Stubbs, who, of course, is the boss of the Department of Regional Industrial Expansion here; John Gryba, of the Department of Advanced Education and Manpower, Government of Yukon; Allan Hunt, of the Department of Economic Development; Mines and Small Business, Government of Yukon; Wilf Atwood, Indian and Inuit Affairs, DIAND; Roger Alford, from Pelly Crossing; Brian Gillen, Employment Development Branch, Federal Building, Whitehorse. As I said, there is one seat that is vacant now.

Mr. Lang: When that committee was struck there was provision specifically for at least one representative if not more from the business community. Can I ask why the business community is not represented?

Hon. Mr. Penikett: It may be because that one seat is vacant at the moment. I am not sure how long it has been vacant, but if the Member has any nominees he would like to suggest for that vacancy, I would be pleased to receive them.

Mr. Lang: This sounds like a repeat of the conversation I believe is in *Hansard* on record a year ago. The Minister undertook to consult with the business community to see whether or not there would be any representatives. Did the Government of the Yukon Territory formally ask, for an example, the Chamber of Commerce to nominate names and to participate, and if they did, I would like to know when?

Hon. Mr. Penikett: As you know, we consult with the business community frequently and all the people on the Loan Board are, I believe, business people. I am sorry, my memory is not as good as the Member's opposite in terms of the exact words exchanged between us then, but as I said I am quite prepared to take under advice the Member opposite's suggestion that there should be someone from the business community. I think the business interests of the government are represented by two officials from two different departments, Advanced Education and Manpower, and Allan Hunt, who, Members will know, is the Director of the Small Business Branch here, and well in touch with the sentiments of the business community and the development directions we wish

to pursue.

Mr. Lang: In all deference to the Minister, do I take it, therefore, there has been no representation made to the Chamber of Commerce or business community to ask for representatives to be on this particular committee?

Hon. Mr. Penikett: I do not know. We do not normally go to the Chamber of Commerce when we are looking for business people. We are well aware of the business people in the community and the people we have appointed to boards and committees, with the exception of the Economic Council where, in some sense, they are self-electing because of their position. For example, the president of the Yukon Chamber of Commerce is automatically a member.

When we are looking for business people to serve on these boards and committees, we usually have people who volunteer themselves, or citizens nominating a third party. We have not formally gone to the Chamber of Commerce to ask who they want on this thing.

We are prepared to take under advisement the question of representation on this one. I do not know how long that position has been vacant, but I will check into it.

Mr. Lang: We had this exchange approximately one year ago. The same response was given, that you were going to take my representations very seriously. I have tried to be constructive for the purpose of this debate. I read in here that we are putting people into the construction business and various other things. I really think that the business community has the right to be represented, so that at least some indication of how it would be viewed by people who could be in competition could be taken in consideration, as opposed to getting into the situation that we are facing in Yukon today, where it is those who have and those who have not.

I feel it is very irresponsible to not have some representation from the private sector. I do not agree with that at all. People in the civil service become much too comfortable saying yes and spending other people's money. I hope that this debate we are having now will be taken seriously, be taken from a non-partisan point of view, so that some advice can be given on this committee that may have some validity and be of some value to not only the recipients of this money, but to the people of the territory, the public we represent.

What is a renewable resources administrator, which has almost \$200,000 committed under the project name of primary producing activities?

Hon. Mr. Penikett: While I am arranging for the detailed information on that one, I want the Member to understand, notwithstanding the force of his representation, that the Special ARDA nor the officers dealing with these applications, do not travel blind. One of the criteria in the program to which we are very sensitive is the one of adverse competition. In every case where there is an application, where there is a possibility of adverse competition, the industry or the people in the community who are in the same business are consulted. There are judgments made at times. One person in one business may object, but they do not have the right of veto over that. The Committee, when dealing with the question, will know what competition there is and what the community reaction to the application is.

I can recall a case when the Member for Riverdale South communicated with me about some concern she had, and other people would have had. The committee did not need any advice or instruction from me to reject the application. The same kind of information, the same kind of opinion that was reaching the Member's desk was also reaching not only mine, but reaching the committee's. They made the judgment properly, in the case of which I am speaking. I think they do that all the time.

Mr. Lang: There is about \$200,000 allocated to a Renewable Resources Administrator. It is a lot of money and, obviously, the Minister had to be involved in it. Could he explain what it is?

Hon. Mr. Penikett: The \$200,000 is a three-year project for the Champagne-Aishihik Band, where they are looking at a full range of renewable resource development possibilities. Given the interest of the Member, I do not have it handy, but I will come back to him, if he wishes, with some detailed description of what that project involves and what its intended goals and objectives are.

Mr. McLachlan: I want to ask the Minister about the general

review of the provisions under which a loan can be granted.

Mr. Lang: These are not loans; these are grants.

Mr. McLachlan: Just one small question in connection with a question that has developed on one of these programs. There was a quirk that developed in the guidelines for one of the loan programs that one could apply for loan assistance for buying a vehicle, yet, they are given for airplanes. How do you justify not giving loan assistance for vehicle purchase, but you will for an airplane?

Hon. Mr. Penikett: I believe the Member is referring to heavy equipment for construction or trucking that bars against. I do not know where that originated. It certainly was in place when we came into office. I believe that it may have been from a perception that there was already plenty of equipment and plenty of operators in the community, and it was perhaps not warranted to have assistance for bringing in more of such equipment. I am almost sure that the same is not true with respect to aircraft, although, perhaps a case could be made that similar circumstances require. Perhaps, if the Member is asking about policy on the program, I can take the question under advisement. If the Member has anything more to contribute on this question, I would be pleased to hear it. I must tell him honestly that it is not a matter that I have had reason to review.

Mr. McLachlan: If the program is working properly in the first place, the adverse competition rules of someone else being in business should take care of it before what the Minister referred to comes up. I am still left as to why that particular quirk wound up in the loan criteria program at one point in time.

Hon. Mr. Penikett: Can I take the question under advisement. I will talk to people who may have been involved in the thing from the beginning, find out what the antecedents of the policy are and report back to the Member the original reasons. Perhaps he would give me the courtesy of allowing me some time to reflect on it to decide whether the continued application of that policy is in order.

Mr. McLachlan: That is sufficient. I just have one small question that I would like to ask without getting into a lot of detail on one commercial undertaking, because of the peculiar nature of the program — the Yukon Indian Development Corporation feasibility study bottled water. Can the Minister explain what that is?

Hon. Mr. Penikett: It is to look at the market for pure bottled Yukon water. The Member is amused, but I can tell him about a little company in Alberta that has gone from nothing into being a multi-million dollar business in no time at all. The market in urban centers these days for pure water, unadulterated either by flouride or other chemical additives, or pollutants, is a very, very large and growing market, not only in North America but elsewhere in the world.

The Yukon Development Corporation has asked for some money to do a feasibility study on whether such a business would be viable and whether we would have access to markets. The Member should not laugh. I think the little company that started in Alberta has just turned into a monumental business.

Mr. McLachlan: That is fine. We would all like to see a rags to riches story in the Yukon too, but does the Minister have an answer? That is a great export possibility. Is the study completed and does it show we are viable in that market?

Hon. Mr. Penikett: No it has just been approved, so I do not know what the results are.

Mr. Lang: Just out of curiosity, I noticed there is \$37,000 for the Champagne-Aishihik Truss Plant. Could he give us a description of what this amounts to and where?

Hon. Mr. Penikett: I do not have that program detail; I will get back to the Member.

Mrs. Firth: I would like to ask the Minister if the structure for the EDA Policy Committee and Management Committee is still the same as when he tabled it May 12, 1986, and can he tell us if all the positions are filled?

Hon. Mr. Penikett: The structure is the same as when I presented it last year, and I believe all of the positions are filled.

Mr. Lang: There is another one here that is fairly interesting. It is called Expo Boutique, \$55,000. Perhaps if he has the information he could provide that for us.

Hon. Mr. Penikett: Once again I will have to come back with

detailed information. I do not have it at my fingertips.

Mr. Lang: I have a question on equipment and loaders and things like that, the Minister went into briefly what the process was with respect to consulting with respect to people in the competition. Do you go to everybody in the community in the construction business to get their view as to whether or not the government should be involved in giving a grant for this kind of thing, or do you just go to an organization? Whom do you consult with?

Hon. Mr. Penikett: I do not think they would go to every business in Whitehorse, that would not be practical. It is, of course, not I or the committee who does that; it is the officer who does that. I think if they were talking about, for example, concrete work they would somehow touch base with people doing that kind of work, but I think it is an important question and what I will do — and I hate to keep saying this — is go back for a written report on exactly how that consultation process is carried out by the officers in the branch, and I will table it in the House.

Mr. Lang: I take it that all these studies and demand studies, if they are completed, will be made available to us?

Hon. Mr. Penikett: We discussed this before about how long the applicant has a proprietary interest. Under that program, it is six months before there is any access by anybody else other than the people who applied for the study. In other programs, it is longer. It is one year in some, and even longer in others.

Mr. Lang: What about studies such as the CYI Tourism YVA Liability Study, YVA Convention, YVA Alaska Marketing, YDA Marketing Plan. My understanding is that these are non-profit organizations, as opposed to proprietorship rights for private individuals. I would assume those would be made public as soon as they are done.

Hon. Mr. Penikett: Yes, those broad studies, done on a general topic, or which are of broad public interest, as a matter of routine, become public.

Mr. Lang: As a Member of this House who is being asked to vote money in one manner or another, I am asking that, as soon as they are completed and the government is in receipt of them, all Members of the House should get a copy of the studies. Otherwise, we do not even know they are being done, unless we stand in this House and go through a very agonizing interrogation. I would just as soon avoid that.

Hon. Mr. Penikett: I have no trouble making those public. The Member will understand that where there are proprietary studies that involve commercial confidentialities, then we are into a different order of things. In respect to the kind of studies identified by the Member, which are paid for by public funds or are of broad public interest, which are done through a non-profit organization, I have no problem with that.

Mr. Lang: Just to go a little further on a matter of a question of policy, I notice there are quite a number of hotels still being funded under these agreements. Is it the position of the government there should still be funding for hotels? This was discussed last session, too.

Hon. Mr. Penikett: I should explain that, while the secretariat works under my operation here in the Small Business, the question of tourism policy is not mine to make. It is the Minister of Tourism's department. If I could, I would like to take that question as notice. It is not an area I make policy in.

Resource and Community Development in the amount of \$153,000 agreed to

On Financial Programs

Hon. Mr. Penikett: This represents personnel and related costs for one permanent person year, which is non-recoverable under the EDA. This is the chief financial programs officer. That is who the person year is.

Mrs. Firth: Is that position filled?

Hon. Mr. Penikett: Yes, I believe the lady knows the gentleman who fills it very well. It is Mr. Perry.

Mrs. Firth: I was just wondering why it was not in the total complement of the person years for the Department?

Hon. Mr. Penikett: It is.

Financial Programs in the amount of \$54,000 agreed to

Mr. Nordling: Perhaps the Minister can explain why Mr. Perry

gets his own special line in the budget.

Hon. Mr. Penikett: Because the people he supervises are all officers who are under the Capital person years delivering capital programs. He is in the O&M Budget as the Chief of the Financial Programs and he has the other people I previously mentioned who are in the Capital Budget reporting to him. He is paid for out of the O&M Budget because he cannot be charged to any of the capital programs.

Mrs. Firth: That was why I asked about him being included in the total complement. We assume then that he has his separate little financial programs and that will be an ongoing position forever and ever.

Small Business in the total amount of \$715,000 agreed to
On Grants, Contributions and Other Transfer Payments

Chairman: Are there any questions on Grants, Contributions or other Transfer Payments?

Mr. McLachlan: If the Minister could refresh my memory, is the \$64,000 under the Wood Smoke Control Program for the City of Whitehorse a figure for a one-year control project or is this for an extended period?

Hon. Mr. Penikett: You might remember the first year was for \$80,000. It reduced by 20 percent for each year of the program and this is \$64,000. Next year it will be reduced by another 20 percent.

Grants, Contributions and Other Transfer Payments in the amount of \$164,000 agreed to

Department of Economic Development: Mines and Small Business in the amount of \$2,435,000 agreed to

Department of Community and Transportation Services

Chairman: The next department will be Community and Transportation Services. We will now take a 15 minute recess.

Recess

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

We are on the Department of Community and Transportation Services

Hon. Mr. McDonald: The 1987-88 Operation and Maintenance Main Estimates for the Department of Community and Transportation Services total \$42.8 million, which represents a four percent increase over the 1986-87 Main Estimates. The major new initiative of year-round maintenance on the South Klondike Highway accounts for a major part of this increase.

In presenting this budget, I would like to highlight several initiatives that will be undertaken this year. They are devolution, communications, land delivery and training.

Planning for the devolution of Arctic B and C airports continues. During the past year, the Yukon government has developed and presented the federal government with its position. In the coming year, we will be negotiating with federal officials for the devolution of responsibility for improving, upgrading and maintaining Arctic B and C airports.

Communications is an essential part of modern society and will form an important component in the economic, social and cultural development of the Yukon. During the past year, the Department has prepared a green paper outlining Yukon communications policy. The policy includes the following elements: broadcasting and telecommunications, VHF, mobile radio systems, federal-provincial-territorial consultation, industry and community liaison, distance education, culture and technological development that need to be considered in a development of a comprehensive policy.

After a sufficient time period and the consultation has taken place, the department will conclude the consultations with a communications symposium to be held this summer. Following this, the department will engage in program development, prepare an action plan for long-term planning and participate in various regional and national telecommunications initiatives.

With an improved communications policy, the Department will begin to give immediate attention to everyday concerns of Yukoners, such as better television service to all Yukon communities, extended rural TV service and improved rural phone service.

¹⁹ Providing affordable land for Yukoners is a major objective of

this government. In the coming year the department will continue the many initiatives it began in 1986-87 to ensure this objective is met.

During the past year, as Members will remember, the Lands Branch underwent a major reorganization. Significant additional resources have been allocated to the Branch and in the coming year more customer-oriented and effective operations will be delivered.

Land availability process under which we are successfully obtaining transfers of land from the federal government will continue. Agricultural land is currently being prepared for market availability this summer. Homesteader lots will be made available.

Since April of 1986, 11 parcels of land have been transferred comprising of Whitehorse West Residential, Mendenhall Residential, Pine Lake Recreational Area, Upper Liard Agricultural and various agricultural parcels for a total of 5,400 hectares.

Human resources development and training are essential in order to ensure the equality of opportunity for Yukoners to achieve personal goals in their careers and work life. In the coming year, the department will increase its training activities for its own staff and will also initiate training programs for municipal administrators, which will include hamlet and unincorporated areas and also rural protective services.

I would like to bring to Members' attention several items of interest in the budget before them. The following organizational changes have been made. Yukon Housing Corporation is no longer under the jurisdiction of the department. Assessment Services has moved from Lands Branch to Community Services Branch and the Taxation Administrator from the Department of Finance has been moved to the Community Services Branch as well. This also includes the responsibility of school and property tax collections, and the Home Owner Grants.

Management, Policy Planning and Administration Program now includes two term person years dedicated to communications initiatives. In addition, a term person-year has been approved to promote and coordinate the development of departmental policies and programs in support of the resolution of Yukon Indian land claims.

The year-round maintenance of the South Klondike Highway, as I mentioned earlier, comprises the major funding increase for the Highways and Transportation Program. The fiscal year 1987-88 will see a continuation of the review of the *Motor Transport Act*, *Motor Vehicles Act* and the *Highways Act*.

²⁰ During 1987, a new driver record system will be implemented. Improved service to all communities will be made available by additional road maintenance activity for the Dempster Highway, dust control on the Top of the World Highway, and new roads such as Clear Creek and Sunnydale being maintained.

The Community Services Program will undertake several new training initiatives as already mentioned. In addition, work will begin on discussions with various unincorporated areas concerning organizing them to hamlet status. The Branch will also undertake the preparation of amendments to the Yukon *Building Standards Act* to allow for more use of local materials and building construction.

In conclusion, I would like to thank the officials of the department for preparing the budget and for their ongoing efforts.

Mr. Lang: I appreciate the opening remarks of the Minister. I would like to begin by saying that I am glad to see that there are a number of off-highway mining roads that are going to be maintained, at least, to a semblance of maintenance for those roads, such as Clear Creek and various others. With the dollars the government presently has, I do not think it is a great deal of money to put aside to give these people, who are attempting to contribute directly to the GNP, at least a little bit of conscious assistance by the government and, in turn, the taxpayers and the citizens of the Yukon.

At the outset, I want to compliment the government on that particular area.

A couple of areas that I think should be explored a little further are the question of the *Vehicles Act* and the *Highways Act*. In the last session, there were quite a number of studies that were underway with respect to the department. Some were internal and some were external, as far as consultants were concerned. Could

the Minister update the House with respect to what studies have been completed in the various areas that he had outlined last session?

Hon. Mr. McDonald: First of all, I will provide that information for the Member. With respect to mining roads and various roads off main trunk highway roads, last year the government attempted to clarify those roads that are being maintained and those roads that are not maintained. All roads that are to be maintained by the department officially will be put into the road maintenance policy. We attempted to do that and, also, to budget for those roads at the same time, so that it was not simply a matter of adding a road without the funds.

²¹ This ultimately meant that the offroads were to be covered from the O&M lapses from other budgets.

The three acts review is well underway. There were some basic baseline data reports. I will just preface this by saying that as far as I am concerned all reports will be considered public documents. During this process there will be a thorough consultation with the industry, especially with the *Motor Transport Act*. There has been considerable discussion with the industry already, as Members will note, with respect to the meetings that I have had and that I know that the Department has had with the Transportation Association, and also with respect to the joint meetings and seminar that the Yukon Transportation Association and the Department had this past year.

I can get the list of contracts that have been let, which has been completed to provide for the Members' information, if requested. The critical time for the development of policy with respect to deregulation of the trucking industry is happening at the present time. There are two Bills before the House of Commons, C-18 and C-19, that deal with deregulation in its overall form, and also specifically with trucking deregulation and an amended safety code.

All the initiatives associated with that, both on the air side and the trucking side, have involved this government and certainly the Department, and will have impact on legislation. I would hope we can table this this year in September. That is the plan.

Many of the initiatives being taken on a national scale began with the MOU of January of 1985. I recall seeing at least the signature of one Member of this Legislature on the MOU. This will ultimately result in legislative requirements in the Yukon, so we are coming to some conclusions with respect to the deregulation aspect of the transportation policy on the trucking side, and the *Motor Transport Act* will be the conclusion of this, I would trust.

²² If the Members have any questions with respect to a particular report, or if they would like the background information and data, I can provide that.

Mr. Lang: Could the Minister update us with respect to the lot pricing policy, where there was a contractor by the name of Strategic Action Group that got paid \$8,600 to come up with a study of some kind? Could the Minister update us as to what value it was to the government and what changes are pending or implemented because of it?

Hon. Mr. McDonald: With respect to any contract and any report of that nature for lands, I would be prepared to make those public as well. The lot pricing review, I would hope, will culminate in a policy that I could bring before Cabinet this spring. An attempt has been made to regularize and rationalize the lot pricing for all classes of land around the territory. In the last year or so, I found that the most significant criticism that we have faced has been the character of the pricing of lots, because people had difficulty understanding, let alone justifying from the Department's end how lot prices differ, how lot prices are rationalized between various classes of land and various parts of the territory, and rationalizing how past practices led to lot pricing decisions that have led to lots being priced in certain ways.

There will be a policy I hope that I can make public shortly. I can make available any studies that have gone into land pricing.

Mr. Lang: I would appreciate it if that information could be tabled. It is crucial to the territory. Apparently, the study was completed at the end of October of last year. This is April of 1987. It was approximately five or six months ago. I do not understand why a definitive decision has not been taken prior to now, since

people are looking for housing, they are looking for land to build on, and they are looking at a new building season. Could the Minister indicate when he expects a decision to be taken? I think it would be very unfortunate if we had people coming here and buying land and the government, in their largesse, decides to lower the price of it two weeks hence.

Hon. Mr. McDonald: We have to be very mindful, not only of the pricing that exists now, but also the pricing that has existed in the past.

The complexity that we have to deal with is the character of lot pricing that has been in place for years and years, largely because there are people out there who will be mindful of what we do in the future, no matter what we put into place. They will have purchased land on a certain assumption and at a certain price. If they see the land prices changing drastically, and the principles upon which land is priced are changed drastically, then I am sure they will have something to say about it. We have to be very careful that we try to maintain as much consistency as possible, given the rather haphazard record up to today, and will exist until the time that we actually implement our policy.

Mr. Lang: I am curious as to how this ties in with the pricing policy and the squatter policy so it is not haphazard?

Hon. Mr. McDonald: Well, that is the problem. Life has to go on and lots will continue to be sold. I am not a firm believer in stopping everything until you get some basic policy down. You have to try to develop a rational policy on the run, so to speak. With respect to the homesteader/squatter policy, we have tried to anticipate as much as is humanly possible what might come down the tube in the future, bearing in mind that, for the homesteader lots at least, there will be as low a price as possible.

I think it is fair to say, and I do not want to prejudge prior to going to Cabinet, that certainly the cornerstones will be development costs and market value. How we approach it for various classes of land are yet to be considered in the policy development.

Mr. Lang: I still have not had an answer to my question. When does he expect a decision to be made with respect to this study that was completed five months ago?

Hon. Mr. McDonald: I thought I answered the question in the beginning. It is my intention to bring a policy forward to Cabinet in the spring. When exactly, I am not sure; it will be the spring. Assuming that Cabinet approves, it can be made public immediately.

Mr. Lang: Are we talking about this spring? Are we talking April or May? People in my riding are interested in buying land. If it comes to their attention that you are going to start monkeying around with the price and the value of these properties, then I would have to advise them to wait and see what the government is going to do if it is going to save somebody a couple of thousand dollars. I would like an indication. To give a month's leeway, fine, but are we talking a decision prior to the first of May or mid-May? Is that what we are looking at?

Hon. Mr. McDonald: I do not want to be too severe in my timetabling here, because I do not want the Member to come back in September and say that I promised it in May and it came out on the first of June. I would hope that it will be in place by June, but I will reiterate that we will do our very best to make sure, in rationalizing the system, and there are currently in the system, and in past practice, inconsistencies. We have to somehow rationalize the inconsistencies and develop a policy that is easy to understand and is clear for all classes of land in the territory. So the job is not a small one; it is a big one, and I would hope I can bring it forward by June at the very latest.

Mr. Lang: Do I take it that these particular proposed options for lot pricing policy will be made available to us prior to the end of the session, or is this strictly a report? Is that not correct?

Some Hon. Member: Did we pass the first line, Mr. Chairman?

Mr. Lang: We keep dancing around on this subject. This lot pricing policy paper, I assume, has a number of options. Do I take it that that is going to be made available to us during this Session?

Hon. Mr. McDonald: Not to my knowledge. Any reports that we have have been completed totally internally. I can provide to

the Members. Options going before Cabinet will not be provided to the Legislature.

Mr. Lang: I did not ask what was going before Cabinet. All I asked for was the strategic action and group lot pricing policy paper.

Hon. Mr. McDonald: I have already said that that can be made public, if the Members request it.

Mr. Lang: Can I please have a copy of it?

I take it that that is a yes for the record. Silence is golden, and it means that it is positive. He is nodding his head.

Hon. Mr. McDonald: I realize that it is getting late. Perhaps subtleties are not what is in order right now. Yes, the answer is absolutely yes, totally yes, yes, yes.

Mr. Lang: Just going a little further on the question of land, could the Minister update us on actually what areas the Government of the Yukon Territory have formally put in for application to be transferred to this government?

Hon. Mr. McDonald: I will have a list tomorrow. I realize that there is not a lot of time left this evening. I will get a list tomorrow and will table it, too.

Mr. Lang: I notice that there was also work done for an agricultural land policy. Can that be made available as well?

Hon. Mr. McDonald: I will make any contract reports available that are complete.

Mr. Lang: I take it that of the report that was put forward to the Public Accounts Committee, at least one copy will be made available to the Legislature?

Hon. Mr. McDonald: Will the Member identify which reports specifically he is talking about, please?

Mr. Lang: Before that, who is the Strategic Action Group? They seem to be fairly prominent.

Hon. Mr. McDonald: I do not know who they are. I will find out.

Mr. Lang: They seem to have done a lot of work for the Minister.

The studies go as follows: the Study to Determine the Future Organizational Structure of Airports Branch, the Airport Study - Dawson, Study to Develop Zero Base O&M for Airports, Restoration and Rehab Study - B and C Airports, Role of Airports to Support of Economic Growth, Jurisdictional Clarification Paper, Lands Branch Analysis, Agricultural Assessment - Klondike Valley, Assess Present Regulations and Policies - Agricultural Land Disposition, Agricultural Land Policy, Lot Pricing Policy, Pre-Feasibility Study - White Pass Skagway Tramway — which has already been tabled, Heritage Resource Impact Assessment - Pelly Crossing, Highway Maintenance Camp Study, Elsa Recreation Facilities Assessment, Old Crow Transportation Study, Preparation of LEOP Report — who would be doing that? We already have the report, but somebody was contracted to make it up, I guess — Consultant Services Agreement - Motor Vehicle Act and Regulations, Highway and Transportation Legislative Review, Review of Highways Act and Regulations. We are talking some significant dollars here. We are talking about \$100,000 a throw, as far as these studies are concerned. I hope these are going to contribute something to debate.

That is just one element of it. In 1985-86, there were a number of studies done on major transportation issues: Preparation of Transportation Background Documents, Water Transportation Services, Research Paper on Water Transportation, Examine Cost Benefits of CABR — whoever they are — A Study to Establish Location of Emergency Airstrips, Heritage Resource Impact Assessment - Dempster Highway, Heritage Resource Impact Assessment - Atlin Road - Points West Heritage Consultants, Technical Assessment for Stewart Crossing.

Then we go to the Housing Corporation. A number of these have been tabled. There are a number that I do not believe have. The Yukon Housing Needs Study was tabled. Mandate Analysis, Social Housing Policy White Paper, Comparison Provincial Housing Agents in the Parents Company. A number of these have been tabled. In any rate, there was a staff housing study that was to begin in March of 1987. Maybe we could end there. Could the Minister give us an idea of what plans he has, now that he is the czar of

housing in the Yukon, and what he is going to do in staff housing for Yukon?

Hon. Mr. McDonald: Yukon Housing Corporation is a separate vote. It comes at the end of the budget and is not incorporated any longer in the Department of Community and Transportation Services. I will thank the Member for, in essence, giving me notice of questions, which I am sure he will put when we get to that vote, as we had promised each other we would deal with it at some length in the spring session and now is the spring session.

The Member asks what CAVR was. CAVR and SAVR refer to a uniform vehicle registration plan for truckers in Canada. It allows truckers to apply for licences in one jurisdiction that would cover them for all jurisdictions.

Traditionally Yukon and NWT have not been signatories for either CAVR or SAVR, because it would mean we anticipate loss of revenue. Part of the study that was done and given to the Transportation Association indicated that we would project a loss of revenue. If we were to implement that program here, it would be in the neighbourhood of \$300,000 to Yukon. I say that while providing the caution that the Director of Motor Transport in BC questioned those figures upon reading the report, so there still would obviously be a significant loss of revenue to the government. There is the attempt now to determine what the benefit to the industry would be as a result of that loss of revenue, because there would definitely be an offsetting benefit for the industry.

The industry would like to enjoy the benefit of being a member of the CAVR or SAVR, but at the same time they are concerned that if other jurisdictions are also signatories to the national program, then it might make it easier for the southern-based trucking companies to license vehicles to come into the Yukon, so there may be increased competition within the Yukon that they were trying to assess. So there would be benefits to the local industry, and there would also be costs to the local industry as a result of participating in that program. That is what we are jointly trying to determine now with the industry. The time for background studies has finished; the time has come for the industry to determine whether or not we are going to take the plunge. I think it is safe to say the decision is certainly split within the industry, and no decision by the government has been taken in that regard.

Mr. Lang: I appreciate the Minister's comments, as far as housing is concerned. Like him, I can hardly wait breathlessly to see the debate that will ensue because of that.

For the record, how much money is going to be made available for the Shakwak Project this year?

Hon. Mr. McDonald: I will check for the Member, but I believe it is \$8 million this year. My understanding is that the state of Alaska would be hard pressed to put that money toward the Shakwak Project next year. As the Member knows, I had a meeting with the Deputy Commissioner, who is now the Commissioner of Transportation in Alaska. They are not really keen on spending more money on the Canadian side and, in fact, suggested that our federal government should participate more fully in upgrading the Alaska Highway.

I had an opportunity to speak with the federal Minister responsible for Public Works a couple of weeks ago. He indicated that at this time, at least, and into the foreseeable future, there would be no funds available for the upgrading of the Alaska Highway north, but would do his best to put pressure on his counterparts in the United States to fulfill their very significant end of the Shakwak Agreement. That is the only commitment that I have been able to glean from the federal Minister.

Mr. Lang: Is there any work going to be done by the federal government on the Alaska Highway this summer? If so, where?

Hon. Mr. McDonald: My information is that in the Yukon, apart from some bridge work on the road between Haines Junction and Beaver Creek, there will be no capital work of any significance. If the Member wants to know specific names of the creeks, I can provide that. I understand that if there are slippage dollars there may be some work later on, but at this time they are budgeted for no capital work in the Yukon.

Mr. Lang: What year is budgeted for capital works on the Alaska Highway by federal Public Works? Surely the Department is

pry to that? Could you tell us if there is money from the federal government for upgrading the Alaska Highway next year, or are we talking 1989 or 1990. All of a sudden we had a 15-year program, and now it is ended. I know how difficult they are to begin once the money dries up. Could the Minister update the House as to when the federal government at least tentatively has it in their plans to continue the upgrading of the highway?

Hon. Mr. McDonald: If the Department has any information, I will find that out. I did not get the impression from the federal Minister that he has cancelled work on the Alaska Highway. I think what they have done is certainly cut back the highway program, but they have also reprioritized. It is not meant to be a cancellation of the program. What they have done is decide that the work between Fort Nelson and the Yukon Border is the highest priority, and I think most people in the tourism industry would agree that that is a particular bad stretch of road. That will receive first priority and that is the work that will be done this year.

I will check with the Department to see if they have any signals from the Department of Public Works as to the extension of the Alaska Highway Upgrading Program and whether or not they know what specifically will be funded in future years.

²⁹ Given the time, the hour, I move that you report progress on Bill No. 6.

Motion agreed to

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will 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. 6, *Second Appropriation Act, 1987-88*, and directed me to report progress on same.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

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

Motion agreed to

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

The House adjourned at 9:29 p.m.

The following Sessional Papers were tabled April 6, 1987:

87-3-112

Report of the Chief Electoral Officer on Contributions to Political Parties during 1986 (Speaker - Johnston)

87-3-113

Yukon Government Annual Report April 1, 1985 to March 31, 1986 (Penikett)