



The Yukon Legislative Assembly

Number 82

3rd Session

26th Legislature

HANSARD

Tuesday, April 7, 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

01 **Whitehorse, Yukon**
Tuesday, April 7, 1987—1:30 p.m.

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

Prayers

DAILY ROUTINE

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

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Penikett: I have a number of returns for tabling, which are answers to questions asked by Mr. Lang, Mr. Nordling and Mr. McLachlan.

Speaker: Are there any Reports of Committees?
Are there any Petitions?
Introduction of Bills?
Are there any Notices of Motion for the Production of Papers?

02 Notices of Motion?
Statements by Ministers?

MINISTERIAL STATEMENT

Meeting with Rt. Hon. Joseph Clark

Hon. Mr. Penikett: I would like to advise the House of an agreement reached between the Rt. Hon. Joseph Clark, Secretary of State for External Affairs, and myself as a result of a meeting in Ottawa following the First Ministers' Conference.

At our meeting, we discussed a number of issues of mutual concern which I will outline here. I would first like to report on our agreement to improve communications and the exchange of information between the Governments of Canada and Yukon with respect to international and/or transboundary issues, specifically those involving the United States. On our part, we committed ourselves to advise Canada of our external, bilateral communications with Alaska. Mr. Clark, on behalf of Canada, has offered to provide the Yukon with regular briefing papers on emerging and relevant issues. As well, the Yukon will be invited to attend provincial briefings scheduled on an "as-needed" basis by External Affairs officials on the many aspects of Canada's relationship with the United States. I might say, this is an arrangement akin to those enjoyed by the provinces and it is a welcome development. I am pleased to report, as well, that there has already been an improvement in such communications.

This commitment by both our governments to improve communications on external issues of particular concern to the Yukon will prove in the long run to be mutually beneficial, I am sure.

With respect to specific issues, Mr. Clark provided a confidential briefing on Canada's current discussions with the United States regarding the use of our Arctic waters. We also discussed and I expressed our concerns regarding the proposed US/Japan overflight of plutonium freight.

We reviewed the range of outstanding issues with Alaska. I briefed Mr. Clark on my meetings with U.S. Ambassador Niles and Governor Cowper. I also informed him of our recent friendly legislative exchange.

I am pleased to inform the House of my recent meeting with Mr. Clark, specifically our agreement to improve communications on such important issues. This will ensure that an informed Yukon view will be considered on issues of particular concern to us in Canada's international dealings with the United States.

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

QUESTION PERIOD

Question re: Ross River Band road blockade

Mr. Phelps: I have a few questions with respect to the Ross River Band blockade of an access road from the Campbell Highway to McEvoy Lake in the Yukon. On the radio reports, it would appear that the territorial government is trying to distance itself entirely from this episode. To quote the CBC, "The Minister of Community Services, Piers McDonald, says his department is looking into the dispute. He is asking his officials for a briefing on why the federal government gave Lafave a permit."

Lafave is the BC resident who is developing the lodge in the Yukon.

I would like to ask the Minister of Community and Transportation Services whether it is not true that land use permits, such as the lease for the lodge, are issued by virtue of the FTLAC committee having reviewed the application? The FTLAC committee stands for Federal Territorial Lands Advisory Committee. Is it not true that territorial officials form part of that committee and make those recommendations?

04 **Hon. Mr. McDonald:** The federal government issues land use permits, and presumably they act on the recommendations of the Federal Territorial Lands Advisory Committee. The land use permit was issued for not only the road access, but also the site for the lodge itself.

Mr. Phelps: How many territorial officials normally sit on the Federal Territorial Land Advisory Committee that makes these recommendations?

Hon. Mr. McDonald: I do not recall the exact number, but I know that the Lands Branch and Renewable Resources comprise at least two departments that are represented.

Mr. Phelps: That Federal Territorial Land Advisory Committee, I believe you already indicated, would have been consulted with regard to the issuing of permits and the lease permits for the airport as reported, permits for the winter road, as well as any other land applications by the proposed developer, Mr. Lafave, is that correct?

Hon. Mr. McDonald: The territorial representatives would have expressed the interests of the respective departments at the advisory committee stage.

Question re: Ross River Band road blockade

Mr. Phelps: I presume that these officials report back to this government, and further that the FTLAC would check with land claims negotiators before authorizing or advising the federal government to go ahead with such permits. Is it true that they first of all advise this government of what is happening with the committee?

05 **Hon. Mr. McDonald:** That is one of the issues that we are attempting to seek information about; about the character of the consultation with the Band to determine what the Band not only said, but to what extent they participated in the review.

Mr. Phelps: The answer is a little unclear, too unclear to be satisfactory to this side. Is the Minister saying that the government simply was not aware of what was going on, or do the officials keep this government informed about what is going on with the FTLAC?

Hon. Mr. McDonald: With all due respect, there are many applications being made for land use permits around the territory — hundreds and hundreds and hundreds of them. Consultation is ongoing with all the Bands in the various communities. If the Member is asking me whether I keep abreast of every single land use application that is made and determine through thorough analysis on my part whether or not land use officials are, in fact, correct, the answer is clearly no; that would be unreasonable.

Mr. Phelps: Can the Minister tell me whether or not the FTLAC, in situations such as this where at least three permits had to be given out, checks with the Land Claims Secretariat of the Yukon or the land claims officials of the federal government before going ahead and advising the government to proceed with issuing such permits?

Hon. Mr. McDonald: I would presume, and I do know that the FTLAC, which advises the federal Minister, would take into

account an affected Band's interests.

Question re: Ambulance beepers

Mr. McLachlan: I have a question of the Minister of Community and Transportation Services. Can the Minister advise if it is government policy to provide the beeper alarm systems for the ambulance crews for handling emergencies only in the City of Whitehorse? Is that not done in the rural communities?

Hon. Mr. McDonald: I am going on memory. My understanding is that that service is provided in Whitehorse for technical reasons, and not provided in rural communities for technical reasons. I am not sure about the details, but I can provide them for the Member if they are available.

Mr. McLachlan: There are problems indicated in Faro at certain times of the day when there are shifts changing and there is very little manpower available in the town. There have been recent emergency situations where there is literally no one to handle the ambulance. If the beeper alarm systems were provided in situations like this, as is done in the City of Whitehorse, it would make it quite a bit easier to get available manpower. Could the Minister look into it to see if it could be provided in rural situations or, at least, some of these difficult ones?

Hon. Mr. McDonald: The short answer is yes. I do know, personally, of situations where better communications would have averted what became tense situations, in terms of responding to ambulance calls. I will check into the situation and discover whether or not it is technically feasible to institute a beeper system in Faro and other major rural communities and to determine the cost factor, as well.

Question re: Ross River Band road blockade

Mr. Phelps: Getting back to the blockade of the access road by the Ross River Band road of Mr. Lafave, can the Minister advise me whether or not Central Pacific Investments, which is Lafave's company, applied for money from the Regional Resource Road Program — \$40,000 — which was used to build the winter road into the lodge site, which road is now being blockaded? Can the Minister advise whether or not some of those monies came from the Regional Resource Road Program?

Hon. Mr. McDonald: Yes. On the strength of the receipt of a land use permit, the occupant made an application for 50 percent funding for the access road — the winter road. My understanding is that that agreement was made and funds were distributed.

Mr. Phelps: Before those monies were distributed, could the Minister advise whether or not there was any consultation with the Land Claims Secretariat or the Ross River Band or CYI?

Hon. Mr. McDonald: In the search for the land use permit, certain bases are meant to be covered, including the consultation with the band. My understanding is that consultations were made. I do not know the specific character of those consultations. That is one of the things that we are presently investigating.

It was on the strength of the land use permit that the approval for the application was made. We do not seek approval at every stage of the development process.

Mr. Phelps: There is also, to the same company, owned by the same person, a grant under the Tourism Subagreement, of \$74,600 to undertake an aggressive two-year campaign to market this lodge. Can the Minister advise whether or not territorial officials sit on the body that gives out these grants?

Hon. Mr. Porter: Inasmuch as the question was directed under the Tourism program, yes, I can confirm that the company in question did receive funding under the Tourism program, but, as all Members are aware, Tourism program allotments by project are based on merits of the projects brought forward and are made by members of the Management Committee, not by the government Ministers.

Question re: Ross River Band road blockade

Mr. Phelps: I am not sure from the previous answers whether the Minister is trying to dodge his duties and obligations under Ministerial authority, but the point I am trying to get at is that there would be territorial representatives present at the decision to give

out the \$74,600 grant, would there not?

Hon. Mr. Porter: The Member clearly knows how the EDA process is structured. Yes, there are federal and territorial officials who sit on those Management Committees that give out the funding.

Mr. Phelps: With regard to the \$74,600 grant under that program, did officials make inquiries with the Land Claims Secretariat, or with the Band in Ross River or with the CYI to ascertain whether or not a fishing lodge in the area would conflict with the aspirations of the Band regarding land claims?

Hon. Mr. Porter: I do not know if this was done in this particular case, but you can imagine the way the programs would run if, on every application, those kinds of questions were asked or consultations occurred. Clearly, the funding projects that are brought before the tourism program, or various programs in the Economic Development wing of government, are considered on the merits and if they conform to the guidelines and program objectives set out, and if they meet those criteria and the criteria for funding, then in most cases they are approved.

Mr. Phelps: I am certainly not trying to guess that officials from this territorial government overly exert themselves before giving out paltry sums of money such as what we are speaking of. There is another sum of \$240,000 for the same company, Central Pacific Investments Limited, the same owner, Warren Lafave, regarding the same fishing resort with the same officials that sat on the extra \$240,000 grant under the Tourism Sub-Agreement prior to that being authorized and given away.

Hon. Mr. Porter: That funding was authorized under the Canada Yukon Tourism Sub-Agreement and, as a matter of fact, I can preempt the next question from the Member. There was also funding allotted under the Economic Development Small Business Loans program.

Question re: Ross River Band road blockade

Mr. Phelps: Let us go through this on a methodical basis and see what the government knew about this project, because, of course, they were not having any knowledge this morning on the news.

With regard to the \$240,000 grant, can we be advised as to whether or not the project was cleared with the Land Claims Secretariat before the money was authorized and granted, or with the Band, or with CYI?

Hon. Mr. Penikett: The Minister of Community and Transportation Services has told the Member opposite and the House that we are reviewing our files to establish the exact chronology of events in this case. The Minister of Tourism and Renewable Resources has advised the House that, in respect of the funding applications, the applicant having made the required application and the project being in conformity with the approved guidelines of the program, the funding went ahead as determined by officials and not by Ministers, of course. The question about whether Land Claims was involved is problematic because, as the Member opposite knows, we have not been at the negotiation table *per se* in the last few months while we wait for a federal mandate. There is, as the Member knows, no land selection in Ross River. We are attempting to establish the facts but we believe that the Band was advised at FTLAC. We are confirming that they consented, and, in fact, the specific lake was one that they had recommended when an earlier site had been preferred by the applicant.

Speaker: Order, please. Would the Member please conclude his answer?

Hon. Mr. Penikett: I will, Mr. Speaker, but if the Members opposite are more interested in the questions than they are the answers, I will not be able to give them the information they request.

Land Claims was aware of the matter. In March, I met with the federal Minister of Indian and Northern Affairs and warned him that, unless and until the federal government came forward with a mandate and got down to the table, we would not have a forum, we would not have a means of resolving these issues.

Point of Order

Speaker: Order, please. Thank you. The Member for Whitehorse Porter Creek East on a point of order.

Mr. Lang: When you call somebody to order, Mr. Speaker, is the practice going to be herein now that we just ignore the Speaker's ruling?

Speaker: The hon. Government Leader on the point of order.

Hon. Mr. Penikett: On the same point of order, Mr. Speaker, there is no one in the House who has more respect for your rulings than I. I was complying with your request that I conclude my answer to a very complicated and convoluted question from the Member opposite. Unfortunately a question of that kind requires an answer of a similar kind.

Speaker: Hon. Leader of the Official Opposition, on the Point of Order.

On this Point of Order, I would advise that whenever there is a call from the Chair, everybody is reminded to conclude their answer or question. I would say that there was a Point of Order.

Mr. Phelps: My next question has to do with the Business Loans Assistance Program, and the same company, the same owner in BC. The same project was granted the loan of \$100,000. Are there not different government officials involved in approving a loan from that program than the officials under the Tourism Subagreement?

Hon. Mr. Penikett: In answer to the specific question, yes, there are different officials involved in some cases. The answer is that the interest and the concern of the Band is very recent. We are now trying to respond and deal with the situation, as it has arisen. Prior to the issuing of the money, the necessary approvals were received, including the consultation with the community.

Mr. Phelps: We have a fair amount of government money here. The government does not seem to think it is a big deal or worth having officials check into these things in any depth before giving it away. There is \$100,000 that we have just spoken to with respect to the Business Loans, a \$240,000 grant under Tourism Subagreement, an additional \$74,600 under the Tourism Subagreement, and the \$40,000 for the Roads to Resources.

Does the government not feel it has some stake and some interest in the affairs that are taking place right now, namely the blockade by the Ross River Band?

Hon. Mr. Penikett: I think that might be categorized as a leading question. Of course, we have some stake and some considerable interest in it. That is why we are trying to establish all the facts in the matter, the sequence of events, and the positions of the different parties as they have evolved. We are presently making an effort to communicate with, and contact every single one of the interested parties to see what role we can play in resolving the dispute.

Question re: Ross River Band road blockade

Mr. Phelps: Perhaps the Government Leader could check into this and report back as to whether or not officials from this government checked with the Land Claims Secretariat of this government to see whether or not this whole project was or was not in conflict with the land claims being put forward by the Ross River Band. Were such inquiries made from the officials of FTLAC, if they were made by FTLAC, if they were made by the officials under the Tourism Subagreement, or officials who worked on the Business Loans Assistance Program, or officials who ended up approving and spending the money on the winter road that is now being blockaded?

Could the Government Leader advise this House as to whether or not some approval from, or consultation with, officials in this government was entered into with the Land Claims Secretariat?

Hon. Mr. Penikett: Well, I am very pleased and interested to receive the representation from the Leader of the Official Opposition that possible consequences and implications with land claims and effect on Bands should be checked before any grant or loan is issued by any department in this government. That is certainly a radical development on any policy suggestion coming from the other side of the floor.

Let me, in direct answer to the question, remind the Member that

there is no land selection by this particular Band, and I am advised, although I am going to check the facts, that the particular claim, the R Block at McEvoy Lake, was filed by the Ross River Band after the initial approvals of this project.

Mr. Phelps: I am interested in that answer, of course. All I am trying to do is get some good hard information, truthful facts from the government so the public knows what is going on when we are talking about \$.5 million in taxpayers' money being given to an outside investment firm. Perhaps the Government Leader would be forthcoming with his answers and advise when the Land Claims Secretariat was contacted and by whom from these various territorial officials.

Hon. Mr. Penikett: I will be pleased to come back and be forthcoming and provide the Member opposite with nothing but truthful facts. They are the only kind of facts I know.

I think it is also important that we continue our process of examination of the facts, and as soon as we have them we will provide them to the House. From the questions today, Members will understand that it is a complicated event involving many parties over the last few months. A proper understanding of the issue will require a firm hold of the facts which we are now trying to seize.

Mr. Phelps: I wonder how long this investigation is going to take before the government knows exactly where it stands with regard to its position on the blockade itself, and its position regarding what to do about the money it has been giving away.

Hon. Mr. Penikett: I assume that it will be a matter of hours, certainly no more than days, before we establish the facts to a high degree of our satisfaction and, as I said further to that, we are at this moment, not only searching our files, but attempting to make contact with all the interested parties.

Question re: Ross River Band road blockade

Mr. Phelps: We understand that the permit to use a bulldozer and backhoe to construct the access road across frozen terrain, that road that cost the taxpayers \$40,000 to build, expires on April 10. Does the Government Leader feel that his government will be taking a position and have enough facts to know where they stand on this issue by then?

Hon. Mr. Penikett: Obviously I will have to take that question under advisement.

Question re: Lottery Commission

Mr. Lang: I would like to go onto another matter that is of some concern. I would like to address it to the Minister of Community and Transportation Services.

Yesterday I asked a series of question with respect to the costs that are going to be incurred by the Lottery Commission in view of the fact the government is taking over direct control of the administration and distribution of lottery tickets. I would like to ask the Minister if it is true that the cost of personnel, which will be three person years — a manager, a coordinator and a secretary — is going to cost the Lottery Commission approximately \$103,000 to manage the lotteries?

Hon. Mr. McDonald: It seems that throughout these discussions or debates, — it is hardly Question Period, but these discussions or debates — I have to preface every answer that I make with the statement that the government is not taking over lotteries. I apologize to all Members; I had intended to table a package of information here. I did not get it copied in time for formal filing, but I can certainly make it available today in Committee. I do have a breakdown of the Lottery Commission projected budget and the payments made to the distributor, the Sports Federation/Arts Council, in 1985-86. The 1986-87 budget has not yet been audited, but it appears that the payment to the distributor for the management of the lotteries was \$288,000 in that year. The Commission's expenses were \$60,000 less the profits, for a total O&M of \$229,000, which does not show any of the Recreation Branch support services that are provided.

The Lottery Commission, for its part, projects a total budget for not only the support services for the Commission but also managing the lotteries at \$255,000 which would include the start-up costs this particular year, of \$17,000.

Mr. Lang: Is it not true that it is going to take three people, at a cost of approximately \$103,000, to manage the distribution and administration of lotteries as opposed to the previous system where the Yukon Sports Federation's direct personnel costs was \$27,000?

Hon. Mr. McDonald: No, that is not true. My understanding is that the contractors had two people full time; the contract amounts paid to them to operate the lotteries was, as I mentioned, \$288,000 minus the profits, which I mentioned were \$120,000. I indicated, too, the costs associated with the Sports Federation/Arts Council contract were very comparable with the Lottery Commission's budget, which would have two people associated exclusively with — from my understanding — the managing of lotteries. Of those two, one is a secretarial position, which would also work to perform the secretarial services that the Recreation Branch is currently providing to the Commission.

Mr. Lang: Is it not true that there is going to be a manager now hired to administer the lotteries, along with a coordinator and along with the position of secretary for the purposes of administrating the Lottery Commission? Is that not true? Those three positions?

Hon. Mr. McDonald: I just said no, it is not true.

Question re: Lottery Commission

Mr. Lang: Could the Minister advise this House why the Lottery Commission is advertising for these three positions, then?

Hon. Mr. McDonald: The Member asked if there were three people dedicated to managing the lotteries. There are not three people dedicated to managing the lotteries. There are two people, or a person and some, dedicated to managing the lotteries and there are also people who will be dedicated to providing secretariate services for the Commission.

Mr. Lang: It is amazing how one can try to explain a situation away from the true facts.

How much money is being spent on the new Lottery office, and what is going to be the office's annual rental charges?

Hon. Mr. McDonald: The office rent is projected to be \$17,000.

Mr. Lang: Does that include new furniture and all the renovations that are taking place, as well?

Hon. Mr. McDonald: I already mentioned that there were setup costs. I have also mentioned the fact that the costs to the Lottery Commission of the contract are comparable to what they are anticipating to be the cost of their new operation.

Question re: Lottery Commission

Mr. Lang: Are you comparing the costs in Dawson City or Watson Lake or in Edmonton? How much are they?

Hon. Mr. McDonald: If the Member reads *Hansard*, the answer to his first question was provided at Budget breakdown. I have also indicated that I would be able to provide this material today in Committee in writing. If he does not want to read *Hansard*, he will have it in front of him this afternoon. I have already given these figures.

Mr. Lang: In view of the increased costs that are going to be incurred by the Lottery Commission, especially in view of the fact that they will have to continue to pay for the administration of Sport Yukon and the Yukon Arts Council, in some manner or another — so we, therefore, have those dollars going out, and we are going to have to find roughly another \$120,000 for administration over and above what those costs were in the past — could the Minister indicate to this House how many more tickets are going to have to be sold in order to be able to pay for this further cost of \$100,000 to \$120,000 administrative cost that has now been incurred with the takeover by the government?

Hon. Mr. McDonald: The figures the Member puts forward are not figures that jibe with anything I have. They are quite different. I would ask the Member to wait to see the information, so that he can better assess the situation, other than the quick figuring that he has provided. I have already indicated to the House that the figuring is wrong.

With respect to the projected sales for next year, they are projected at \$4.5 million. The Yukon Lottery Commission income is projected to be \$1.8 million. The funds available for grants are

projected to be \$1.5 million. For anybody who is familiar with the history of the granting system in Yukon, they will know that that is approximately a 300 or 400 percent increase over what it was a couple of years ago.

Mr. Lang: As we all know, the costs of the Lottery Commission will have to be incurred now. Is it also not true that the Lottery Commission or the government will continue to fund, to the same level, the amount of money that Sports Yukon needs to function, as well as the Arts Council, and the monies that they had been receiving from the Lottery Commission?

Hon. Mr. McDonald: There is an agreement — I do not have the details with me — to core fund the Sports Federation and the Arts Council. There are also apparently requests coming in from various sports, arts and recreation groups for core funding as well.

With respect to the issue of the arms length relationship with this government, it is a legislated mandate. It was an Act that was passed by this House some years ago by the government of the day. It clearly states who is responsible for what with respect to management of lotteries.

Question re: Vehicle replacements

Mr. McLachlan: I have a question for the Minister of Government Services.

When vehicle replacements are being considered in the communities, is it policy or is it not a policy of the department that they receive only new cars rather than second-hand vehicles that may have already seen a lot of service in Whitehorse. What do they get, new ones or old ones?

Hon. Mr. Kimmerly: The policy of acquisition of vehicles on behalf of Government Services is that we purchase new vehicles for both new requirements and to replace existing vehicles that have served their useful life. The allocation of vehicles within departments is, in my understanding, not the prerogative of Government Services. So you may have the departments handling the question differently around the government.

Mr. McLachlan: I beg to differ with the Minister's answer. During the Public Accounts Committee Meetings in March, a management survey firm conducted a survey — in this case, of employees of the Department of Health and Human Resource — and the employees were asked what physical hazards they were exposed to. The reply was, and I quote, "Driving government vehicles. Although these are supposedly maintained, a few communities receive second-hand cars and poor servicing. Driving hazards increase because of the type of vehicle and maintenance. This is a serious concern."

It is obviously a serious concern for the people working for the government. Is it a serious concern for the Minister to do something about it?

Hon. Mr. Kimmerly: That information is not in any way inconsistent with the information that I gave in my first answer. The Member is obviously concerned about a complaint made by personnel in the Department of Health and Human Resources about the question of driving older or unsafe vehicles. I will certainly check into that complaint. I am not aware of specific complaints made to the government.

Question re: Joint Commission on Indian Education and Training

Hon. Mrs. Firth: My question is for the Minister of Education regarding the Joint Commission on Indian Education and Training, and the final settlement with Stan Boychuk Consulting Company. Can the Minister tell us if the negotiations that he was having have been completed, and what the results of negotiations were?

Hon. Mr. McDonald: If the Member is talking about any negotiations for the repayment of the monies left outstanding on the contract, the information that must be provided is that there were no negotiations. There was a request made for full payment and it was received — as was stated in the legislative return which has already been tabled in this House, a week ago. With respect to any negotiations with respect to the severance allowance, I already indicated what the government's position was and is. The Members know what the Stan Boychuk Enterprises position was, and maybe

is. We have not carried discussions further on the matter. The government is quite comfortable with the position it has taken and has not heard anything further from Mr. Boychuk.

Hon. Mrs. Firth: The Minister knows well I am talking about the settlement negotiations for the breach of contract. Is he telling this House now that the company that was holding the government to ransom for \$70,000 based on them getting a \$30,000 settlement has just given back the money and there has been no settlement negotiated for breach of contract?

Hon. Mr. McDonald: The legislative return states that Mr. Boychuk's lawyer phoned the department on February 17, 1987 to notify that Mr. Boychuk had requested that all funds held in trust be returned to the department — that is all funds held in trust. The cheque was received by the department on February 18, 1987.

Hon. Mrs. Firth: I have that, and again I am having to waste my supplementary because the Minister is standing up and reading from the returns he has given us. There was a negotiating process, a settlement being requested for a breach of contract. Did Stan Boychuk management firm get a settlement for the breach of contract?

Hon. Mr. McDonald: The answer is no. The Member can ask as many supplementaries as she likes; stand up and ask as many questions as she wants on this matter. I have already indicated that there were no negotiations, certainly not in the classic sense. We indicated that we wanted repayment of the money; the money was repaid.

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

Government Bills.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 42: Second Reading

Clerk: Second Reading, Bill No. 42, standing in the name of the Hon. Mr. Kimmerly.

Hon. Mr. Kimmerly: I move that Bill No. 42, entitled *International Commercial Arbitration Act*, be now read a second time.

¹⁵ **Speaker:** It has been moved by the Minister of Justice that Bill No. 42, entitled *International Commercial Arbitration Act*, be now read a second time.

Hon. Mr. Kimmerly: The purpose of this Bill is to provide a code of procedure to govern arbitration in international commercial matters. The federal government and the provinces and territories in Canada have made a commitment to propose this measure to their Legislatures. This measure has now been passed by several of the provinces.

This Bill is based on the model law on international commercial arbitration, which was adopted in June, 1985, by the United Nations Commission on International Trade Law.

There is international consensus that this model law constitutes a modern, practical code of procedure for use in arbitration of commercial matters. It provides a framework to ensure the effective functioning of arbitral proceedings involving international commercial matters, such as the appointment of arbitrators, rules of procedure and place of arbitration.

Because of the federal nature of this country, it is necessary for all the provinces and territories to pass this legislation in similar form to provide a consistent method to govern international commercial arbitration within their jurisdictions. This legislation can be seen as a companion piece to the *Commercial Arbitral Awards Act* that we passed last year.

Motion agreed to

Bill No. 83: Second Reading

Clerk: Second Reading, Bill No. 83, standing in the name of the hon. Mr. Kimmerly.

Hon. Mr. Kimmerly: I move that Bill No. 83, entitled *An Act*

to Amend the Insurance Act, be now read a second time.

Speaker: It has been moved by the hon. Minister of Justice that Bill No. 83, entitled *An Act to Amend the Insurance Act*, be now read a second time.

Hon. Mr. Kimmerly: I am pleased to introduce this amendment to the *Insurance Act*, as it leads to Yukon's participation in a nation compensation plan for the general insurance industry and, if passed, will grant recognition to the Canadian Insurance Exchange.

Three years ago, after a number of general insurance companies collapsed, the Ministers of Consumer and Corporate Affairs across the country recognized the need to establish an insurance compensation fund for the protection of the general public.

¹⁶ During the past few years the insurance industry and the Superintendents of Insurance from across Canada have worked in a cooperative effort to establish just such a plan. This plan will be financed by the general insurance industry for the benefit of policy holders of an insolvent insurance company. In the event that a general company becomes insolvent, the compensation plan will offer protection to claimants and policy holders in the personal lines of insurance. There has been a maximum limit attached to the plan. A maximum recoverable for any individual policy holder is \$200,000, which, in the vast majority of cases, will cover the loss of a home and other possessions.

This is how the plan will work. It will be operated through a non-profit corporation managed by the private industry. All provincial and territorial Superintendents of Insurance will participate, will act as ex officio, non-voting members of the corporation. Governments wishing to participate in the plan will require membership as a condition of licensing for all property and casualty insurance companies operating in their jurisdiction.

Licensed insurers will be required to pay assessments to the compensation corporation, not the government. These assessments will be based on the total direct premiums the company has written in the jurisdiction. I am pleased to report that all provincial and territorial jurisdictions recognize the need for such a plan and a number of the provinces have already or are, in fact, today in the process of amending their legislation to accommodate the Compensation Corporation.

In addition, to establish some protection to victims of an insolvent company, the plan should reaffirm public confidence in the general insurance industry.

Motion agreed to

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

¹⁷ COMMITTEE OF THE WHOLE

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

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

Chairman: We will continue with the Department of Transportation Services, general debate, following a 15 minute recess.

Recess

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

Hon. Mr. McDonald: There were a number of questions left hanging yesterday that I indicated I would probably get a response to by today. I have some of those responses.

The question was asked about who the Strategic Action Group is. Two of the principals are Wayne Penny and Diane Woolen.

On the question of lot pricing, I will have to take this opportunity to correct myself with respect to the target date. I indicated that I

would try to have it by June of this year. That is not realistic. The target would be the fall of this year.

The contract the Member referred to — Strategic Action Group — for \$8,000 was cancelled. The contract for lot pricing went to Thorne Stevenson Kellogg on October 14. That report is complete. What is in the report is that they have dealt with the issue of rationalizing the lot pricing policy for the government and all other land functions, including leases, et cetera.

¹⁸ They recommend some principles for lot pricing. They have done some economic analysis of lot pricing, as well as historical research into what has happened in the past in the Yukon, as well as a cross-country analysis of pricing policies elsewhere. One of the things they have found to be essentially a brutal fact is that, if we change one area of pricing, then there are repercussions with other areas of pricing. The discussion paper, of which I have a copy here I can give to the Members opposite, is obviously complete.

As I say, the target day for lot pricing is in the fall. There are a number of other very pressing issues that will be dealt with by Lands Branch between now and then which have led to some delays. A lot of time and effort, of course, as the Members know, was spent on the development of the squatters/homesteaders' policy, which is essentially complete except for negotiations, I guess, at a political level from Ottawa. I had reported to the House that we have heard encouraging signals from senior federal civil servants, but of course their word is not worth very much if the Minister does not agree. And the Minister has been mum on the subject almost entirely. To be fair to him, of course, there have been some other issues that have been monopolizing his time, including the First Ministers Conference and Land Claims policy overall. So it is perhaps not that surprising that we have not received a political response from Ottawa on the squatters/homesteaders' policy.

The other areas that, of course, are going to be receiving most of our attention will be the development of the grazing policy, which I hope will come down very shortly, ongoing land transfers, which has been very high priority, and the land availability process for the government. Ultimately, there will be some work on the *Lands Act* and regulations.

¹⁹ Anybody familiar with the *Lands Act* and regulations will understand the character of what has to be done there.

There was a question with respect to at least one contract on agricultural land. Essentially, a person who was contracted to the Department — I do not know if he was made permanent or not, maybe not — prepared Community and Transportation Services Lands Branch for the transition of the responsibility for agricultural land from Renewable Resources Lands to Community and Transportation Services. That was primarily the character of that contract.

A question was asked with respect to the Shakwak Project. I was about \$1 million off yesterday when I said there was \$8 million scheduled for this year, that is the Van Creek to Dezadeash section. In fact, there is \$9 million scheduled for this year, of which \$4.5 million is a carryover from last year, so essentially we are talking about \$4.5 million that is new. I would reiterate to Members that the Alaskans have taken the position that it may be the last money we see under the Shakwak Project if their current fiscal state remains.

On the Alaska Highway I mentioned essentially very little or no work is being done apart from bridge work this year. The bridge work will be the bridge at the Donjek River, for \$485,000. There will be miscellaneous crushing, guard rail and clearing work for \$211,000.

There is going to be some BST work north of Whitehorse, but that would be considered an O&M expenditure, not a capital expenditure. It would be limited. I have yet to ascertain what is known within the Department with respect to the future year funding for the Alaska Highway. What I have been able to determine is to verify the comments I made yesterday that the federal government is not cutting out or cancelling the Alaska Highway Project, they are simply using budget restraint and cutbacks to extend the life of the project. How long is unknown at the present time because no one is absolutely sure of what funding

is going to be required to be returned to aid in the battle on the federal deficit.

I did not have time to copy all the Stephensen, Kelleck, Birnst & Whitney Report on Lot Pricing, but what perhaps I could do is either file it with the Clerk or provide it to the Member for Porter Creek East.

²⁰ **Mr. Lang:** I think the discussion paper the Minister refers to should be filed with the Clerk so it is on the record. We can talk about other areas of concern and, in the interim, they could be running off copies for us, then we could go back to it afterwards. Is that suitable to the Minister?

Hon. Mr. McDonald: Yes.

Mr. Lang: I had asked how much land had been formally applied for by this government, and when, with respect to the territory. I would like an update on that situation.

Hon. Mr. McDonald: I do have that information. It includes lands transferred as well as lands requested and lands to be requested in the next few weeks.

Mr. Lang: In talking about land, I would like to go to the question of the squatter policy. Was the policy paper that was sent to the Government of Canada the one that was tabled in this House, or was it modified?

Hon. Mr. McDonald: The one that was tabled in the House was a discussion paper. The one that was given to the federal government was a reflection of the discussion paper and the consultation that was undertaken in the period of the spring, summer and fall. It not only incorporates community consultation, but also incorporates the thoughts of federal and territorial Lands officials at the local level. It is not meant to be the final document given, but is meant to be a joint policy; therefore, the federal government would have to agree. It is what you might classify as a very specific negotiating position.

Mr. Lang: Is it the present policy of the Government of Yukon the position that they have forwarded to Ottawa? Is that the position the government supports?

Hon. Mr. McDonald: Yes, that is the specific negotiating position.

Mr. Lang: Could we have a copy of that?

Hon. Mr. McDonald: I have already indicated before that it would be inappropriate for the very specific negotiating position to be tabled for the public's view. If we were to do that, I am sure the federal government would consider that to be highly inappropriate, given that if we were to back off on any of the popular provisions, the federal government would take the heat. We feel that it is necessary to come forward with a joint position and negotiate with the federal government in good faith in so doing.

²¹ **Mr. Lang:** I am prepared to accept his argument; we will wait to see what the final outcome on the squatters policy is.

With respect to the applications for agricultural land, now that we have the "one window approach" — it took a year-and-a-half to do that — is it not correct there are two hundred outstanding applications presently before the Government of Yukon and FTLAC? Is that correct?

Hon. Mr. McDonald: I do not know if they are before FTLAC or not. FTLAC presumes that they are at the final stage of decision. There are approximately two hundred that remain active; that is correct.

Mr. Lang: As the Minister knows, I have written on a couple of specific applications. One response I got back was that the guy applied only about four or five months ago so he really cannot be considered for quite a period of time while clearing up the so-called backlog. What concerns me is that we have a situation here where people have applied for land and all we seem to be getting is a situation where more and more reasons why we cannot allocate land are being brought forward. What I would like to know is: what is the Minister doing to have these two hundred applications considered by the FTLAC committee for a definitive decision, where a yes or no could be given to these individuals?

Hon. Mr. McDonald: The Member makes a good point with respect to the character of the application process to date. I do not know how much we want to preempt the debate, which I assume will come tomorrow, on the Agricultural Action Committee, which

was created by applicants to address specifically the application and land transfer process. But if we are going to go into it, then maybe we could pursue it now and deal with it now. There certainly have been cases documented, I guess, which you might consider to be horror stories, where people have made application many years ago and have not been informed as to the detail of complaints, have not been given the straight goods at times with respect to what the character of the problems were, and the application has languished. Clearly, that cannot be tolerated any further, and there has to be some resolution of the issue shortly. If the land application is to be rejected for good reason, then I think it is incumbent on the now Lands Branch, which will be responsible as of a few weeks ago for the handling of applications, to inform the applicant immediately and not leave the applicant hanging with the hope that perhaps conflicts can be resolved easily.

²² The character of the conflicts should be undertaken, because there are times when an applicant will make application and there will be a conflict, but it will not be an unresolvable conflict. Through negotiation of one sort with another applicant, the trapper or whomever, the application can be resolved in good time. At least the character of those considerations should be related specifically and clearly to the applicant.

Mr. Lang: That really did not answer my question. My concern is that we have a situation outstanding, and I am not going to belabour it for too long a time. I want to reiterate a point that we have 200 applicants out there who are really questioning the motives of the government and, in turn, Members of the Legislature who say we should release land and then give them 50 different reasons why they should not get it. It seems to me we are setting up impediments every time we turn around for anybody who wants to do anything unless they are really good at applying for grants. If you apply for enough money, then you get the government beholden to them and then the government is looking at giving them land as opposed to the other way around.

I think it makes government the laughing stock of the community when you witness what is going on. I believe there has to be a major change in process and philosophy in order to expedite this. When you are talking about 200 applicants, the irony of the situation is that we are talking about 32,000 acres — a minimal amount of land in anybody's reckoning. Yet we are making such a big deal that we are setting up various bureaucracies to oversee these few people who actually want to go out and do something.

I feel we are setting up a system designed to impede, not to help people. That is a tragedy. There will be a further debate on this tomorrow, and I am sure it will go on for quite some time in the future.

Is the Minister specifically involved in asking for these transfers of land that were provided to us? Does he write a letter under the signature of the Minister, or how does the process work?

Hon. Mr. McDonald: Firstly, we do not want to preempt the debate tomorrow because there are a number of things to be said in some detail. I think it would be fair to characterize the situation as not so much as setting up bureaucracies to add to the complexity of the application process, but allowing all the existing bureaucracies to have a hand in reviewing particular applications. With respect to streamlining, the question has to be who ought to be involved and to what extent.

With respect to the land transfer process, the short answer is that I do not write a letter to the Minister, or have not in the last year written a letter to the Minister requesting particular land to be transferred. It has happened before, and I have done it before. The procedure now is that, given the discussions that we had with Mr. McKnight's predecessor with respect to the principles for transfer, once a request is made that does not offend the land claims process, it will be transferred. There is some question as to the time it will take. We think it could take 30 days to get through the federal maze. More than likely it will take upwards of 45 days, but we have no reason to suggest that once the application is made that does not, in our or the federal government's view, offend the land claims process, then it should be transferred to the Yukon government for disposal to the applicants.

Mr. Lang: I know there is going to be further debate on the

issue, so I will leave it go by for a minute.

With respect to the *Vehicles Act* and the *Highways Act*, I note that there was quite a substantial contract that was granted to MacKay and Partners for the purpose of looking at the *Highways Act* and the *Vehicles Act*. I believe the contract was in the amount of \$100,000 or \$98,000. I am trying to find what I have here.

How does the Minister justify spending that kind of money on the review of an Act? Do we have anything completed with respect to the review of these Acts? If we do, is he in a position to table the various reports that would be coming forward to the government?

Hon. Mr. McDonald: The short answer is yes. I can provide a copy of the contract, which will detail the terms of reference that are to be reviewed. It is quite extensive. Perhaps I could do that for all three Act reviews: the *Highways Act*, Regulations, the *Motor Transport Act* and the *Motor Vehicle Act*. None of the reports have been received to date, certainly not in final form. Once they are received, then they can be considered public information. I will file these three contracts with the Clerk, as well.

²⁴ **Mr. Lang:** I very much question the amount of money that we are spending on this review, quite frankly. I could see some reasoning with the Motor Transport Board in view of the significance of the change in the trucking industry with deregulation. I can see there is some merit and justification for some review, but I really do question the propriety of us going outside the forces within the department and experience we have in the department to do an in-depth review of the *Highways Act* and the *Motor Vehicles Act* for the amount of money that I cited. I believe it is \$98,000 a study; I believe that is the amount. Why could that work not have been done in-house, since we have seen a significant increase in person years at the administrative level over the last couple of years?

Hon. Mr. McDonald: The people who are capable and qualified to do the work, of which there are few in the administrative end of the department, I would characterize them as being heavily worked at the present time and characterize them as continuing to be heavily worked. The consultants for all the Acts are required to not only consult with the various people in the industry and the communities and the Bands and Chambers of Commerce and anyone else, the users of the transportation systems, but they are also required to research relevant comparable statutes and do a study of the current Acts and identify deficiencies in those Acts, and essentially proceed through as far as they can and investigate the issues identified through the public review and by the department.

I would certainly hesitate to load that work on the department officials from whom we expect not only a thorough job to be done, only if it is because of time, but also a timely one because I believe the senior officials of the department to be quite taken up with operational activities.

Mr. Lang: Perhaps my colleague to my left or someone else has something else in general debate to add?

Mr. McLachlan: Earlier the Minister discussed the possibility of dust control on the portion of the Robert Campbell highway between the Faro cutoff and Ross River. On that portion of the road, lack of dust control was a contributing factor to a fatal accident last year. Has the Minister made any decisions about dust control on that 43 miles of road?

Hon. Mr. McDonald: I will check with respect to the actual question about dust control on the entire length of the road. It must be in the Estimates here somewhere. With respect to dust control at the intersection where the accident that the Member refers to took place, there will be dust control up to the intersection and at the intersection.

²⁵ **Mr. McLachlan:** Can the Minister advise if it is the intent of the department to conduct pre-engineering work on the portion of the highway as a forerunner of looking at improving and widening it because of the truck traffic, i.e., the coal trucks at that time, that will now be travelling the road and, if Canamax is in production, further traffic between Faro and Ross River and Whitehorse and Ross River.

Hon. Mr. McDonald: Yes, under the Capital Estimates, engineering work is scheduled this summer to do the very work the

Member mentions. I think anybody who has travelled the road will recognize that increased industrial traffic will not make the road unsafe, but it will be much easier to travel the road once the reconstruction takes place.

I do not have the estimate in front of me, and I cannot remember how long the construction activity would happen, but the engineering work is certainly going to start this summer.

Mr. McLachlan: I draw the Minister's attention to the document tabled by the Government Leader with respect to spending estimates by the departments in this Budget by community. A figure of \$742,000 was provided for the estimates for the Department of Community and Transportation Services in the Faro area. That is the second lowest, next to Old Crow, which is understandable.

Of the \$742,000 in the Faro area, is the bulk of that for airport maintenance by the Ross River maintenance camp?

Hon. Mr. McDonald: I do not have the detail. The figures, as they are broken out, would include everything from highway maintenance to work that might be done on a couple of the bases, on the airports, recoverable at the present time until B and C negotiations conclude. It would also include any other activity that the entire Department of Community and Transportation Services would spend in the area.

With respect to the specific question, I will get back to the Member as soon as I can with the answer.

Mr. McLachlan: I would appreciate the Minister advising the House of the plans for the maintenance of the portion of the Klondike Highway just south of Carmacks that has suffered considerable abuse by the Yukon Alaska Transport trucks, as well as the section beside Fox Lake — about a 16 kilometre section in each case.

Hon. Mr. McDonald: As Members will remember from the Capital debate, there was the information that the department had stepped up plans for the reconstruction of the Fox Lake to Twin Lakes and the Twin Lakes to Carmacks sections. They are divided into two sections. They had been scheduled for reconstruction well into the future. It is now apparent, and was anticipated to be apparent, when the agreement was made to start the ore trucks rolling, that that would have to be brought forward. It has been brought forward. The major engineering work for reconstruction will be done for the Twin Lakes to Carmacks section of the highway. Engineering for the Fox Lake-Twin Lakes section will be initiated next year. At the same time, reconstruction will begin.

In the interim, repairs on the BST will have to be undertaken, as the BST inevitably breaks up.

²⁶ As I mentioned before, the BST was laid down with minimal or no base on that whole section because it was determined to be cost effective to put the BST down rather than the calcium chloride. I have the figures here that bear that out so even though the BST has been lost, the decision to lay it in the first place has proven to be a cost-effective one, if only marginally better than the calcium chloride application.

Mr. McLachlan: Depending upon the opinions of the people whom one is talking to at any one time, there is a great feeling in Carmacks that a lot of the patching work done south of Carmacks is going to go during this season's break-up. Does the Minister feel that until the major reconstruction can be done on that section of the road that the Department is simply in a no-win situation as far as patching that road is concerned, that it has to be done, even if it has to be done twice a year to keep it passable in some areas? What are the Minister's feelings on that portion of the road?

Hon. Mr. McDonald: The patching will be done on an as-needed basis. It will be perceived by any passerby that there will be more than the patching trucks out there. They will have to reconstruct the base at a minimal level at least because simply laying BST on no base will not stand up even a week. There is little point at all in patching on that basis. There has to be some base laid, if only minimal, in the patching process.

If the Member wants to characterize it as a no-win situation in the sense that the BST patching will not stand up for the normal life of BST under normal conditions, five to seven years, he is right, it is a no-win situation and the reconstruction has to take place.

Mr. McLachlan: I also asked the Minister about the O&M

picture for this year on the Fox Lake section of the road.

Hon. Mr. McDonald: I have only global figures for the highways. Essentially, they show no increase on that section over last year because the forecast for last year showed an increase over the previous year because patching was undertaken. The major part of any increase now will be under the capital program as there will be a lot of surveyors out surveying the road for reconstruction and identifying borrow pits for the work.

Mr. McLachlan: I have no further questions at this time.

Mr. Lang: Could the Minister update us with respect to how much work is going to be done on the Dempster Highway this year?

Hon. Mr. McDonald: Going on memory I believe this is the second-to-last year of work to be done on the highway. I do not have the capital list in front of me. The Members will note that the O&M costs of the Dempster Highway will climb this year because there has to be a resurfacing done in order to protect the road itself. Some Members may know, and I am assured that we did know about the anticipated O&M costs on the Dempster Highway in the future after the capital construction took place, that it would climb. It would climb the first year approximately \$100,000 and some and two years from now up to \$650,000 more than they are currently.

²⁷ There was, I suppose, at the time the decision was made to upgrade the road, an agreement that was struck between the territorial government and the Government of Canada that the territorial government, on a cost-recovery basis from the federal government, would undertake the capital reconstruction of the road. But the O&M costs associated with the road would be borne by the territorial government and, after reconstruction, they would increase up to \$650,000 more than they currently are — or were last year — on that particular road. Members will note that some of the resurfacing has started and that is the reflection of the increase on the road moving from \$3,159,000 to \$3,298,000. That increase is primarily resurfacing to protect the road itself.

Mr. Lang: I would just like to know what the situation with the sanding truck is at Fraser. Is it the position of the government that a sanding truck is not required there? Is that the final decision that has been taken?

Hon. Mr. McDonald: Essentially yes. The information as I have it is this: the sand has to be stored at Carcross because of snow conditions at Fraser. It is very high and you do not mix snow with sand. There are two trucks at Carcross and the highway to be covered is less than it is at many other grader stations around the territory — in fact, the least of any grader station. Under normal winter conditions, and certainly this last year could not be considered as normal, the heavy snow conditions at the pass would not require sanding — simply grading. It was the unseasonably spring warm temperatures that caused the icy conditions. There was a problem this winter, as Members well know, and I had instructed the department to sand the road if it was slippery. They indicated that they could certainly sand the road with the sand supplies at Carcross and with the trucks they have at Carcross. If the road is slippery, sand that road.

Mr. Lang: I just want to make an observation for the record that we do not support the Minister's analysis on that, and we will be watching pretty closely next year. I just hope that we do not get into a situation where a serious accident takes place that could well have been avoided. I do not buy the argument that sand cannot be put at Fraser as opposed to Carcross, because of snow. I do not know if the Minister has been in Carcross, but there is snow in Carcross too.

Mr. McLachlan: In his introductory remarks, the Minister referred to revising the driver's record system. Could he elaborate a little further on the revisions that are coming on the driver's licence system?

²⁸ **Hon. Mr. McDonald:** Members will know that the system has been worked upon for some time now. There have been situations in the past where drivers' licences took a long time to process. The conclusion of that system will be this year, at which time drivers' licences will be ultimately computerized. It will allow for pictures to be put on the licences and for licences to be applied for at the counter and delivered over the counter simultaneously.

Mr. McLachlan: Over the counter where there is a territorial

agent. We are back to last week's discussion. Where there is no territorial agent, people must then come into Whitehorse to have their pictures taken for the drivers' licences?

Hon. Mr. McDonald: At this point, it is just for territorial agents. This computerized service will be provided for those communities that have a territorial agent function. For those communities that do not currently have a territorial agent, we will have to make some arrangements, as we discussed in the debate last week, to provide the service as efficiently as possible to those communities.

Mr. Lang: I have one more specific question that has to do with land applications in the Dawson City area. I have written a number of letters to the Minister asking, on one specific case, where the land application was and why it had not been expedited. It has to do with the Curragh application in the Dawson City area. Since the Minister has not answered my correspondence, could the Minister inform me today where it is at?

Hon. Mr. McDonald: If the land is on territorial lands, it would not be requested from the federal government.

The Curragh application — and it is dangerous to go on memory, but I will qualify this tomorrow if I am incorrect — has met up with some problems with respect to the airport relocation site. Mr. Chairman, you would know the details of this case better than I. I will return to the Legislature with the information. I do not have it off the top of my head.

Chairman: We will move to the first program, that being Management, Policy and Planning and Administration.

On Management, Policy and Planning and Administration

Chairman: Page 49. Any general debate?

Mr. Lang: I would like to think that the Minister would have something to say to the Legislature since we do have a major change in structure here in the fact that the Yukon Housing Corporation is no longer a part of this particular program, yet, at the same time, we have had an increase of person years to 334, yet eliminated 17.5 with the fact that the Housing Corporation is now its own line item. I would like to know what the Minister is going to do for the public and the taxpayers of the territory. We are getting to the point where in about another ten years we will have three civil servants to every private member of the public. I would like to know why we are going for this increase. Since all we have is \$100,000 consulting fees, there is no reason to increase the person years, or maybe we need another committee to take care of the consultants.

Hon. Mr. McDonald: With respect to the Yukon Housing Corporation, the figures are not incorporated into the previous year's actuals or forecasts. Later in the budget you will see, from the YHC, that the figures are of the size that would make it impossible for them to be incorporated into this particular section of this branch of the department.

I do have something that would be useful to Members, because the Members would perhaps take more of an interest in the change from last year to this year than from this year to the next. I realize this is really a supplementary item so I say that with some caution because a supplementary debate is scheduled to take place. Perhaps what I could do is provide to Members a person year reconciliation for 1985-86 to 1986-87 to 1987-88, which would explain in one page who was added, what conversions took place, what persons were dropped, et cetera.

The Member said we have not dropped any, but he has not seen the paper. That is not correct.

The major operational initiatives of this branch this year will be primarily the communications work with the addition of the Major Projects Coordinator to which the Government Leader alluded to in support services to Yukon Indian Land Claims process, and some secretarial positions were added. As Members will note from the sheet in terms of the persons identified for the Management, Policy, Planning and Administration Section, there is a conversion. There is the Major Project Coordinator, which is a term until land claims are essentially complete, the Lands Policy Analyst to undertake lands policy research, and there is the Communications Director from 1985-86 to 1986-87.

From 1987 to 1988, there are two term positions, the Accounting/

Personnel Clerk as a result of the workload within the department primarily as a result of the increased capital spending in the department, and a Financial Officer to deal exclusively with capital budgeting.

Mr. Lang: I think the Opposition should have the right to go out and hire somebody on a term position as a financial officer or an accounting officer to figure out what the hell you are doing.

You come into this House and you sit here and try to tell me that there was not an increase in the government. I guess you baffle them with paper. It is an affront to anybody's intelligence when you take a look at this paper and compare it.

I recognize that everyone on this side are very simple people; they haven't got their degrees from university, nor are they consultants at \$100,000 a crack or \$750.00 per day.

I very quickly added up, among Management, Policy and Planning and Administration, Highways and Transportation, Lands and Assessment, and I have an increase of 17 people that the Minister did not even stand up to begin with and tell us what they were doing.

We come into this House with a Budget and right in the middle of the Budget he hands me this, and I am supposed to figure this out. I am supposed to come up with an answer why a heavy equipment operator got transferred to the Justice building. I am also supposed to figure out how we use .15 of a custodial worker. I am at a little bit of a loss.

I would like to know why we need 17 more people in this department, in view of the fact that you have that many fewer roads that you have to take care of for dust control, because you have BST.

Hon. Mr. McDonald: I will take the Member's representations into account, with respect to receiving information on paper on this matter. The Member is clearly not happy with the information that has been provided. I will not repeat it.

With respect to the situation with the Highways section, as has been very obvious in the last many Budgets, the number of kilometres of roads being maintained are not in any way lessened. The maintenance costs on existing highways have dropped with the introduction of BST, but the maintenance of off-highway roads has increased considerably. I understood that Members would understand that when we were talking about mining roads, for example, only last night.

With respect to the person years we are talking about here, it was already mentioned before about the conversions of people who have been working in the department for some time.

In most cases, the contract employees were working with the previous government as contractors. Many times, the casual would be working for six months, laid off for a day, working for another six months, and there was an attempt government-wide, and this department is no exception and this department is a large department and perhaps has its share of abuses, that where the job was considered necessary that the conversion would take place. This is no exception. With respect to heavy equipment operators, there are ten at the Fraser camp, and it has already been mentioned I do not know how many times about the need to maintain the Skagway Road and the need to operate the Fraser camp on a year-round basis with permanent people. The camp used to be a summer only camp and the auxiliaries or casuals could perform the work adequately well. These are fulltime positions for the fulltime maintenance of that highway, 24 hours a day. There are more increases in the lands section, no doubt about that, and I do not apologise for that. The lands section was understaffed; they were operating out of shoe boxes; they were not responding to requests; they were working very, very hard but they simply were not getting the job done, and it was my view that they required support. A study of the Lands Branch was done — it is a public document, and I will make it public if the Members want — which justifies the increase in personnel in this area as a priority area of this government and this department.

I do not know the character of the custodial worker. I will find out what that is all about. About the manager of municipal administration, I know that the Member disagreed with the addition of the municipal advisor; we went through that debate last year. I

still support the addition of the municipal advisor, and the person is doing more than decent work in terms of the training that has to go on. Perhaps the increase in hamlet status for a number of areas around the territory and the fact that, even if there are not official hamlet status issues, there are many local government issues to deal with even in unincorporated areas, dealing with community associations and such, and attention from this government to their concerns. I do not apologise for that.

That covers the information. If the Members do not want this added information — well, they said so, and I will take that into account.

Mr. Lang: I have probably been expressing some of the frustration from this side and one of my concerns is that we get this information right in the middle of the debate and we are supposed to digest that information in the middle of the debate and be able to carry on an intelligent conversation with respect to the information that the Minister has had at his fingertips for perhaps weeks at a time prior to coming into the House. The one representation, I think, that does make some sense is that if it could be said to specifically the critic ahead of the debate I think it would perhaps aid how expeditiously we can go through some of the work that we have before us.

²² I see 24 new positions for this department, and that is excluding the Housing Corporation.

The Minister made the statement that, on the last Budget, the Housing Corporation personnel was not included on page 40. Could he explain to me why all the figures add up to 327, including the Yukon Housing Corporation person years of 17.8? Why would he tell this House that that was not included in the figures of last year?

Hon. Mr. McDonald: I would appreciate if the Member would refer to the appropriate page. I thought we were dealing with Management, Policy and Planning, and Administration, on page 49, which shows 15 people for 1985-86 and 21.5 for 1986-87 and 24 for 1987-88.

Could the Member provide me with the page number, please?

Mr. Lang: I was comparing the page 47, of all the programs of the department, vis-a-vis the programs that were presented to us in the 1986-87 Budget, page 40. You do not have to be Aristotle's close cousin to figure out that if you add the figures up, there really is a difference, as far as the person year complement is concerned.

If you add the 17.5 person years for the total program, you actually have 352 person years, as opposed to a Budget that was given to us of 327, which was an increase of six over the Budget passed the previous year.

Hon. Mr. McDonald: Last year, the Budget did include the Yukon Housing Corporation. The Housing Corporation was part of the department. These figures have been restated on page 47, and do not include the Yukon Housing Corporation for 1985-86 or 1986-87 or 1987-88. The Housing Corporation has been purged from these numbers, including the previous numbers.

Mr. Lang: If we took the same program, the same way you figured out the Budget last year as this year — this is the interesting element of it when you try to compare Budgets, it turns into a numbers game — and if you use the same principles and include the Yukon Housing Corporation, you have 352 person years in the total department, as opposed to 327 of last year. That is a significant increase of people.

In the Minister's comments a little earlier, he alluded to a land policy paper of some kind and, if we wanted it, we could have it. I would like to tell the Minister that yes, I would like it, and can we have it?

Hon. Mr. McDonald: I do not know specifically which one the Member is referring to. The Member asked for a lot pricing paper. I not only said he could have it, I filed it with the Clerk.

As I say, these figures here refer specifically to the Department of Community and Transportation Services in all the columns without the Yukon Housing Corporation. The Yukon Housing Corporation has not experienced any increase in staff at all. The Member says that the Housing Corporation has received that information, but that is a vote that has yet to be debated.

²³ These figures, these person years that I have mentioned with respect to the person year reconciliation, which I can either not give

or give weeks in advance, represent the complete figures for the Department of Community and Transportation Services.

It is easy to say that it shows a great person year increase, and it is unreasonable. I realize the Member does not like the Manager of Municipal Administration and has said so. If he does not like the additions for the Lands Branch, he can presumably say so. If he thinks other things should have been done he can presumably say so, but the person year reconciliation for the department is complete as per the handout that I have provided, and is complete on page 47 and 49, and it only shows the Department of Community and Transportation Services in all the columns. The estimates for person years and funds for the Yukon Housing Corporations are not incorporated into any of the columns listed on page 47.

Mr. Lang: I said that about 10 minutes ago, my only point being that if you added them in and compared the figures in the way the budget had been presented last year, we had an increase of a substantial amount of person years. That page would show approximately 327 person years of last year as opposed to the present showing of 354.

The point I am making is, I guess, that we have a majority will of the people of the Yukon that they want more and more government. That is the point I am making.

I have specific questions with respect to management policy. Are we on that page yet?

Chairman: Officially, we were on general debate of Management, Policy and Planning, which is on page 49.

Mr. Lang: We see a substantial increase of people here advising the Minister in all sorts of areas. Perhaps he can enlighten the poor people of the general public what he is going to do with this increased staff and entourage that he will have to take around the territory with him to show the people when he visits the smaller communities.

Hon. Mr. McDonald: The Member has an uncanny way of irritating the rawest nerves that I possess.

I will not respond to 90 percent of what the Member mentioned as it was all preamble, but if the Member wants to know what people are for, for example the Accounting Clerk or Personnel Clerk, I mentioned that they are term positions as it shows on the sheet. They were, as I understand it, auxiliary personnel, and are to handle the personnel accounting functions that are associated with the department that has seen an increase in the capital budget of a significant amount.

²⁴ With respect to the major projects coordinator, the department has attempted to respond to the Indian Land Claims pressures that they faced, not only participating at the land claims table and advising the land claims negotiator on existing departmental policies, objectives, et cetera, and the need to provide more coordinated departmental and Indian Band consultation, but also that person is to deal directly with the issue of responding to specifically the lands issues as put forward by the Band on behalf of the department, responding to local government proposals that are being put forward by the Bands and to attempt to bring the department policies forward not only to the negotiating table but to coordinate the redefinition or redefinition of departmental policies as the land claims process would demand.

We feel it is necessary, as a general policy objective, to ensure that the departments are brought on line, the departments participate in the decision-making in the sense that they do assess, on an ongoing basis, claims made at the land claims table, and proposals made at the land claims table, so that they can participate in the detailed response to those claims and also hopefully when the agreements are struck that the department not only is familiar with the agreements but help to participate in creating them.

The communications positions that are identified are primarily for the work in the public consultation process and development of the communications policy discussion paper, which is now public. There is also the preparation and holding of the communications symposium. There is the participation of Yukon 2000 with respect to development of the communications policy development itself and the interaction with communities, industry, interested groups, on the development of the communications policy generally. They will be responsible primarily on the capital side for the definition of

new mobile radio systems, the VHF replacement which we have mentioned already in the House, the existing community radio and television system. Interestingly enough, they will be reviewing whether or not it will be technically feasible and cost-effective to broadcast our discussions into the rural communities — I do not know if that is a good thing or not; I think actually it would be. Explore ways to improve the quality of television services and local programming generally. On the telecommunications side, to do many of the things that we have talked about in the House already in the motion debate, to assess NorthwTel's quality of service standards, to prepare for the Ministers of Communications' meetings, of course, and to develop ultimately a position on rate and balancing and competition.

33 Those are the major initiatives of the Department and, as I have mentioned already, there is a Lands Policy Analyst who is currently working on grazing policies and will be working on agricultural land policies, which include such things as taxation and zoning, which have been requested by APAC and YLA.

Mr. Lang: Are the new positions we have before us all filled?

Hon. Mr. McDonald: To my knowledge, no.

Mr. Lang: Are any of them filled?

Hon. Mr. McDonald: The Major Projects Coordinator position is filled. The Lands Policy Analyst is filled, I believe. The Director of Communications is not, but there is a person working on communications presently.

Mr. Lang: How long has the Land Policy Analyst position been filled?

Hon. Mr. McDonald: The person has only officially filled the position one month.

Mr. Lang: When you say officially, do you mean he was in an underfill position, or in the position as a consultant? What is the word "officially" used for?

Hon. Mr. McDonald: He was on a casual, or contract basis, up until a month ago when the position was filled. It was filled as a term contract.

Mr. Lang: So this position has effectively been filled for the last year in one manner or another.

Hon. Mr. McDonald: For five or six months.

Mr. Lang: With the addition in the Lands Branch, I thought there would be a major impetus to ensure that these land applications could be processed and dealt with. So why have things gone so slowly if these positions were filled six months ago.

Hon. Mr. McDonald: The Member is saying "these positions" were filled six months ago. We are not Lands Branch, we are at the Lands Policy Analyst. The Lands Policy Analyst would not be responsible for processing land applications. For that matter, the Agricultural Lands Position would be the responsibility of Renewable Resources up until a few weeks ago. The Lands Policy Analyst would be doing everything from squatter or homesteader policy, agricultural land policy development or the *Lands Act* review. If the Member wants to know what specifically the person has been doing for the last few months, I will provide that information, but I do not have it with me.

Mr. McLachlan: The one kudo I would like to throw in the Department's direction is the change in policy to putting the highway maintenance camps on a seven-day week basis. I find some grumblings from those who have families including children and find themselves having to work on Saturday or Sunday. Generally it is fairly acceptable for continuous coverage weekly on the highways.

Is that a policy of all camps, that they will be on seven days a week, or does it expire on March 31, when winter conditions no longer prevail?

34 **Hon. Mr. McDonald:** I do not know which camps are operating on a seven-day week basis and which are not. I know some are. I will find out which ones are and which are not.

The decision of whether or not to try a seven day operation is one that is not made lightly. I will provide the information as to how those are determined.

Mr. McLachlan: It seems to eliminate the overtime, although it stretches some of the smaller camps to the point that they only have two guys working on any one day.

Is it the intention of the department to keep the Director of Municipal Services in Yukon Housing? Is that the reason we went to one more municipal advisor, because one was seconded to another department?

Hon. Mr. McDonald: No. A gap was filled, because the person who was the acting general manager of the Yukon Housing Corporation moved to Major Projects Coordinator position for land claims. It was felt that the Housing Corporation was at the point where a veteran administrator would be in order. That person was placed in a secondment position to the Housing Corporation. If Members will remember from last year, over a year ago, a decision was made to go with another municipal advisor. That decision was made long before the decision to use the director of Community Services as the general manager of the Housing Corporation for a short time. The only reason why the Director of Community Services was chosen to fill that position was because of his obvious competence in many affairs. It was perceived to be a good appointment, given the individual's ability.

Mr. McLachlan: In the area of planning, can the Minister advise if this department has done planning or studies either on its own or at the request of the Government Leader's department in the study of the feasibility of operating the railroad again?

Hon. Mr. McDonald: On the question of restarting the railway, the only report that was done was the report the Members are aware of and that was tabled in the House. It was the Swan Wooster Report.

There is currently some work being done on the abandonment plans, or preparing for the eventuality that White Pass will consider abandoning the railway. It is primarily the legal position that is being prepared. Given the importance of this railway and the railway corridor to the Yukon, we felt it was necessary to be ready to make intervention, should White Pass file for abandonment.

37 **Mr. McLachlan:** Can the Minister explain what appears to be a different situation in transferring a heavy equipment operator to Justice? Does that individual become the new advisor, now, to the Minister of Justice? Does that individual become one of the new court service workers? I am curious if it will show up in the Estimates on the other side in debate.

Hon. Mr. McDonald: I do not know if the person provides advice to the Minister of Justice. If he does so, he does so on his own time. What the person is meant to do is participate in an integrated safety program that is incorporated into the Department of Justice, and perhaps the Justice Minister could, before we get to the Justice Estimates debate, respond to Members' questions with respect to the character of that program.

The reason why the person was transferred out of this department and into that department was that the person's job in Community and Transportation Services overlapped with the character of the new program and it made sense to move the personnel to the program. As Members will know, or might know, there have been historically three persons who have been dedicated in Community and Transportation Services in the past to the training of personnel and to safety in highway maintenance operations. They would assess safety at camps; they would assess the safety of vehicles that have been repaired by mechanical operations. Because the safety-related responsibilities were transferred to Justice, it made sense to transfer personnel who were currently performing that function to Justice as well — one person out of three. The other two would continue with the training programs for grader operators and maintenance operations.

On General

Mr. Lang: I have one question. Now that we are increasing by leaps and bounds as far as the whole department is concerned, and obviously these people do need office space and whatever, is the government buying the Lynn Building now?

Hon. Mr. McDonald: They Member will note, in terms of the whole department — well, maybe three percent or four percent, not leaps and bounds — but the office space is not rented by this department; it is rented by the Department of Government Services.

Mr. McLachlan: The question I have here: a significant amount of the planning work is done by outside consultants in this department — the studies I am thinking about. Is all of the

\$319,000 under Other for outside consultants?

Hon. Mr. McDonald: No. It incorporates also travel and communications such as telephone et cetera. There is \$19,000 for travel; \$34,600 for Travel outside the Yukon; Contract Services \$210,000; Entertainment is \$200; Rental Expense \$10,000; Supplies \$14,200; Advertising \$6,000; Communications \$24,800; Other is \$500.

Mr. Lang: Who are going to be the lucky recipients of the \$210,000 for work that cannot be done within the department with the increase of staff you have there?

Hon. Mr. McDonald: The projects that are anticipated that could go ahead this year include a management information system project; the review of the lands account structures, essentially computerizing lands accounts; preparation of operation manuals; the King Port planning; freight rate analysis; a transportation statistics development; Skagway Port Study that the Members will remember, the White Pass abandonment planning I just mentioned; the review of the agricultural land process and land availability process; there will be an assessment of the MSAT System and competition rate rebalancing; there are some funds scheduled for a response to the CANCOM hearing and the Ministers of Communications Conference and the Communications Symposium scheduled for this summer.

Mr. Lang: The Minister has referred to rate balancing a number of times. What is he referring to? Are we talking about telephones? Perhaps he could elaborate.

Hon. Mr. McDonald: There is a national issue now which is of primary concern to Ministers of Communication across the country. That is the issue of rate rebalancing, the balancing of rates: local charges versus long distance charges versus line extension charges from the exchanges et cetera, how the balancing will take place, how we will request that it takes place. Members will know that many telephone companies will be applying to be able to charge persons on a call-by-call basis on local calls in order to bring down the costs of long distance calls. There is, as Members can note from that, some policy implications. We have to ascertain the actual cost of doing business for NorthwesTel, in particular, and determine what the public feels is appropriate in terms of the way that they are charged for the telephone service. That is what is referred to as rate rebalancing.

Mr. McLachlan: I referred yesterday during debate to a fuel price study. The Minister did not mention that, therefore, it is not coming out of this department? It would be the Government Leader's department?

Thank you. The Minister is nodding his head.

With respect to the other part of that study, what are you attempting to do with a freight rate study?

Hon. Mr. McDonald: We are attempting to coordinate the analysis of freight rates with the port study, because it will ultimately be a determination of whether or not freight rates can be brought down for goods and services into the Yukon. There will be some baseline work done. It will be helpful in determining whether or not competitive enterprise is not to be encouraged at the port of Skagway, if it is determined that freight rates could be brought down through competition at the port. The port is the one choke point in the system for the corridor for marine transport to the Yukon. There will be an analysis of the freight rate structures in the territory, which will be attached to the analysis of the port proposals.

Chairman: Anything further?

Management, Policy and Planning, and Administration in the amount of \$1,528,000 agreed to

Chairman: Before we move to the next program, we will recess for 15 minutes.

Recess

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

On Highways and Transportation

Chairman: General debate?

Hon. Mr. McDonald: I have already mentioned the initiatives in this section. The devolution of the airport branch is ongoing. I would hope that we can announce the transfer some time soon. There are also preliminary discussions on the transfer of the Roads program. It is primarily the Capital activities. The federal Minister mentioned to me that he felt that the Department of Public Works should not be maintaining the Alaska Highway or be responsible for the Alaska Highway and indicated, in a very casual form, that it might be nice to consider the transfer of the Alaska Highway to Yukon as well. We are beginning to discuss the transfers of the Roads programs, both DPW and Northern Affairs programs.

The legislative review about the driver record system, which we discussed when the Member for Faro brought it up: pending an Act being tabled in this House, which I would hope to be within the next day or so, on daytime driving lights, we will be implementing that agreement and that decision. And, of course, the additional road maintenance for the resurfacing of the Dempster Highway, the increased responsibility of the department for the Capital work, the dust control on the Top of the World Highway and the additional roads being maintained are all initiatives that this branch is undertaking.

Mr. Lang: In looking at our figures, we have personnel in this Budget of \$14,882,000. In 1986-87, we have personnel of \$8,677,000. Is that because we are now including the casuals in that amount? Could he explain why there is a discrepancy in the figures?

Hon. Mr. McDonald: Is the Member referring to the items on page 52 of this Budget book and requesting information on the two percent growth from 1986-87 to 1987-88, or from 1985-86 to 1986-87?

Mr. Lang: I am referring to page 45. It is the only guide that I can use. Surely, you brought the other Budget. I am comparing 1986-87. Under personnel for 1986-87, we had \$8,677,000. Now in personnel in this year's Budget, we have \$14,882,000. Conversely, in others, we have \$15,510,000 in 1987-88, and in others for 1986-87, we have \$20,879,000. What is the reason for the change in accounting practices?

Hon. Mr. McDonald: I do not have a detailed response to the figures mentioned. I do not have last year's budget book. I have this year's budget book, which shows 1985-86 Actuals of \$14,418,000. It must be the way the number is stated, but whether the Alaska Highway Agreement is incorporated into the number or not, I would have to check. I did not bring the budget from last year, but my understanding is that the 1985-86 Actual was \$14,418,000 and the 1986-87 forecast is \$14,621,000 and this year with a two percent increase it is \$14,882,000.

Mr. Lang: With respect to the B and C Airports, when does he expect that transfer to take place? Everybody is making it seem to be so complicated. I do not understand why it should be so complicated when we are effectively contracting the service from the federal government and have been doing it for a number of years. I do not understand why we are making this look like we are transferring health services to the Government of the Yukon Territory when we are effectively doing the work.

Hon. Mr. McDonald: I would not characterize the discussions as being complicated. I did mention we were about to engage in the discussions last year, certainly starting internally, as to what it would be that we were requesting, and go over our figures with MOT. Then there were considerable periods of time when we were waiting for the federal Cabinet's bargaining principles and ultimately for the position that was to go to federal Cabinet on bargaining mandate, and that is where we are now. The Government of Yukon has been ready for some time with respect to our position. It would incorporate everything from the O&M, on which the figures are fairly clear, but also the agreement on the capital associated with the program. There is obviously the capital for the long-term operations of the program, and we want to ensure that there will be a reasonable level of funding for the capital operations.

The Government of the Yukon has been ready and has said as much. I think it would be characterized as perhaps a lesser priority than the health transfer with the federal government. It may not be a

high priority with them. It is something we are ready for; we are prepared to negotiate; we have participated in all the preparatory meetings with the NWT and MOT and are ready to sit down any time on the details.

Mr. Lang: Can the Minister give us an outline on the \$15,510,000 Other. Where is that money going to be spent?

Hon. Mr. McDonald: If the Member does not mind, I do not have it broken down by the whole program. This not only includes the branch administration but highway maintenance, airports administration, airport operations and transport services, each section of which would include another figure. Does the Member want me to go through all of them right now?

Mr. Lang: No, I think the Minister has made a valid observation. We will go through program by program, and I am sure that is the way he has organized this. That is fine by me.

Mr. Chairman, I am just wondering and perhaps you could give me some direction on this: once we are finished, and my colleague has any other comments, do we go on now to the supplementary information on the road equipment replacement account? I am just looking for direction from the Chair.

Chairman: What page is that on, please?

Mr. Lang: Page 53.

Mr. McLachlan: I have a question on airport operation. Does the figure of \$1,250,000 include the contractual amounts paid to the municipalities such as Faro and Mayo to operate the airports?

Hon. Mr. McDonald: Yes.

Mr. Lang: If I could confirm for the record, is it safe to say, in view of the explanation here, that the government has finally made the decision that they are not going to go into the asphalt business?

Hon. Mr. McDonald: I do not want to leave it hanging forever. I think it is fair to say that we have not even considered it since last year's Estimates. As I indicated last year, if the department could prove conclusively that it is much more cost-effective to have a cold-mix asphalt plant in Yukon, then obviously it would be considered. And I only say "considered". But it has not been a priority of the branch and has not been, certainly, my priority. For that reason, there is no good reason to put it into the Estimates now at all.

Mr. Lang: I would like to take this opportunity to compliment the staff who put together the description in respect to the roads; obviously a lot of work has gone into providing any information that is in the budget. It is very informative and very short and to the point. As a Member of the Legislature, I would like to present a compliment, a bouquet, to the departmental staff who have obviously put in the hours that are required to bring forward information like this, in a very logical manner. One that one does not have to have been a consultant or have a degree in economics to figure out.

On Branch Administration

Hon. Mr. McDonald: I guess we can go through a breakdown of the Other here. Employee travel in Yukon is \$21,579; outside Yukon is \$46,388. I will just mention here that the major portion of that is for a WATCHO conference to be held in Yellowknife. WATCHO? Many years ago, there was an agreement that there was going to be a conference of the Western Association of — transportation administrators, anyway; they would hold meetings in the north: one in Yellowknife and one in Yukon.

There was an agreement that, because our branches were relatively small and support services were small, we agreed to support each other by providing personnel to go to each other's meetings, one in Yellowknife and one in Whitehorse. There will be people going from the branch to the conference in Yellowknife and, in turn, the people in Yellowknife will send equivalent numbers to our conference to support our conference.

Contract services, \$32,000; repairs and maintenance, \$78,000; rental expense, \$31,000; supplies, \$57,000; postage, \$4,100; advertising, \$4,000; program materials, \$2,000; utilities, \$5,500; communications, \$195,000; nonconsumable assets, \$200; others, \$6,000; for a total program, including wages and other, of \$1,069,000.

Mr. Lang: What is the \$32,000 for contract services going to be spent on?

Hon. Mr. McDonald: There are essentially two projects. One is for the analysis and update of the contract document. The Member will remember signing contracts in the past with our contractors and having large sections of the contract regularly scratched out. All the contract documents were at least an inch thick per document. Those contract documents will be revised and updated. That is \$10,000.

There will be an analysis of the communications systems, which the department administers, of \$22,000. That would be preparing for the VHF replacement and the department's needs.

Branch Administration in the amount of \$1,069,000 agreed to On Highway Maintenance

Mr. McLachlan: There is a significant reduction in the maintenance of the Nahanni Range Road, which is the road to the Canada Tungsten operation. Is it only being maintained to the turnoff, 60 miles north of Watson Lake? Why is there an entry in the book at all if that road is not open?

Hon. Mr. McDonald: There will be minimal maintenance in the summer time. Canada Tungsten is not operating. I believe there is only one person staying at the minesite. It was felt that maintaining the road to ensure that that person could get out for holidays was not reasonable.

There were three trappers who used the road, but they were consulted with respect to access to their traplines. I do not remember objections being filed. I think people recognized that the road could not be maintained in the winter time for the very low volume that was projected.

Mr. Lang: I note that we are going to be going to calcium chloride on the Top of the World Highway from Kilometre 20, as well as from Kilometre 45 to 80. I want to say that I think that is a good move on the part of the department. Why are we leaving a gap between Kilometre 20 to 45, or is it being done?

Hon. Mr. McDonald: I will check that. My memory is not that good on this, but I understood it to be started last year. We were going to complete it this year, but I will check on that.

Mr. McLachlan: I would just like to point out to the department that there is a typographical error on page 57 under Statistics, part 3(e). Mitchell Road is not at Ross River. That road into Ross River is called something else.

The section of Mitchell Road that has not been completed by the contractor is going to pieces by the day as the weather gets warmer, and the trucks are finding it more difficult to get up the hill, as we suspected would happen. Are there any plans on the part of the department to provide auxiliary standby equipment to assist with those trucks climbing the grade out of Faro or on the new portion of the road?

Hon. Mr. McDonald: Not that I am aware of, but I will see to it that the department is aware of the situation. This spring there will be a problem that will not be experienced in future years. Because of the fresh reconstruction and the preparation for the application of BST, the road will be muddy and conditions will not be very good. Presumably after chipseal is applied to the road this spring and summer this condition will not be repeated.

Mr. McLachlan: Can the Minister advise when the contractor hopes to get back on that road to complete what was not done last fall?

Hon. Mr. McDonald: I will look into that for the Member. I do not know what the capital data is on that.

Highway Maintenance in the amount of \$26,885,000 agreed to On Airport Administration

Airport Administration in the amount of \$215,000 agreed to

On Transport Services

Mr. Lang: Could the Minister give us an outline of what he is referring to here?

Hon. Mr. McDonald: This is for travel in Yukon, \$14,522; outside Yukon, \$15,000; honouraria, \$24,100; contract services, \$165,000; repairs and maintenance, \$22,000; rental expense, \$45,000; supplies, \$52,000; postage and freight, \$3,100; advertising, \$45,000; program materials, \$67,000; utilities, \$51,000; communications, \$41,000; other, \$22,000; nonconsumable assets, \$100.

Transport Services in the amount of \$975,000 agreed to

Highways and Transportation in the amount of \$30,392,000 agreed to

On Lands

Chairman: On page 63, general debate?

Hon. Mr. McDonald: We spent some time on this already, but let me just summarize for the Members what some of the initiatives of the department are going to be in the coming year.

As I mentioned already, there will be the development of the automated information systems for the public, streamlining of the application processes. There will be ongoing acquisition and marketing of land, acquisition being transfers. There will be more emphasis on land management and development.

With respect to policy review and legislative development, there will be development of an agricultural land program, the new grazing lease that I have mentioned already. There will be the implementation, I would hope, of the homesteader-squatter program. There will be the lot and land policy development. There will be land subdivision regulations and procedures. There will be the review of the *Lands Act*.

I would hope that, over the course of this year, there will be the beginnings of work on the *Area Development Act*, which refers to the other hot and controversial area in the area of lands, and that is — in the high density areas — the zoning of lands, by density meaning recreation and subdivisions and the areas around a particular community, and the upgrading of the initial work, probably late in the fiscal year, on developing the terms of reference for upgrading the *Area Development Act* and the attendant regulations.

Mr. Phelps: Just to zero in a bit on the comment about the *Area Development Act* and regulations, did I understand the Minister to say that this would not really be coming into fruition until towards the end of this year, or is it anticipated earlier?

Hon. Mr. McDonald: It would come towards the end, because I think the *Lands Act* and regulations are a priority that we cannot avoid, not that we would want to. The *Lands Act* itself will have to be reviewed with respect to the work we are doing on lot pricing, lot development and land sales. We will have to review that first, and that is no mean feat. It will be perhaps the most all-encompassing area of review for the Lands Branch this coming year. I would not anticipate even tabling any of the revisions to the *Lands Act* certainly before next spring.

Mr. Phelps: With regard to the *Area Development Regulations*, which are of a grave concern in the area immediately adjacent to the City of Whitehorse, as the Minister well knows, is there any plan to change or modify those regulations in the near term? I am receiving representations from constituents regarding correspondence they have received that seems to indicate that there is going to be some public hearings in the near future regarding the area development regulations in the Golden Horn Subdivision area.

Hon. Mr. McDonald: With respect to the *Area Development Act* and the regulations for the entire territory, there will be no major review in the near term, no. As the Member has discussed with me, there are what we would call hot spots, and Golden Horn might count as a hot spot, where revisions to regulations could be reasonably undertaken, understanding that it will require public consultation as the Member mentions. We can, as a matter of normal operational work, undertake to review regulations in a hot spot area like Golden Horn, and perhaps revise regulations if that is the will of the people in that specific district.

On Lands

Mr. Lang: We have just got the land application. One has been transferred; one is in the process of being applied for and one should be, I believe, soon. Is it the position of the government that they do not just ask for a specific area, for example, Whitehorse South or Whitehorse West, and take an area of 100 square miles and say, "Look why do you not just transfer this to us as opposed to putting us through this exercise of going inch by inch like going through Quaker Oats". Has the government ever contemplated just applying for a block of land transfer of land? If they have not, I would like to know why not.

Hon. Mr. McDonald: Essentially, I think that would be a classic case. Certainly in the federal Minister's eyes, that would be

a classic case of defending the land claims process. What we have here is a policy to identify lands for which a use could be given immediately. The land would be identified by a community, by an Indian Band, by the government, which receives the land applications for transfer to the Yukon. We would identify those lands. We would, through the cooperative process, ensure that the Indian Band in the area was fully aware of everything that was being undertaken, all the requests made, the character of the requests, the detail, so that there would be no misunderstandings as to what was being requested and the obvious need for it, the need identified through an application.

That land would be ultimately requested, as would lands perhaps identified by the Bands or by the communities. That is a process that we found is not only open; it provides all information to the various parties; it does not seek land for anything other than lands that are really actively requested by the Yukon public; it does not offend the land claims process; it meets the needs of Bands and government and the communities, and so far has proven successful in the Haines Junction area. I would hope, as the figures here suggest, it would be successful in the Whitehorse area as well.

Mr. Lang: I am either hearing wrong or maybe the Minister has been in the civil service too long — but to stand up and say this is all justified in his eyes and give the reasons he did, I find amazing. All I was asking was, was it the policy of the government to apply for a block land transfer? Could I have a yes or a no to that question?

For example, there was an application put in by the previous administration for Whitehorse West — I believe that is what is referred to — excluding the land that had been identified through the native land claim process, that the remainder of that land be transferred to the Government of the Yukon Territory. Now, you tell me that it is not the policy of the government to apply for block land transfers in that manner any longer. Is that the policy of the government?

Hon. Mr. McDonald: Firstly, if the Member is asking whether or not the government has requested lands on the Alaska Highway West, the answer, of course, is yes. It says as much right there on the paper. With respect to the major blocks, as I indicated to Members last year, we had indicated to the federal Ministers that all the requests that had been made by the previous government were considered active by this government. They have not been actioned, because they are considered to offend the land claims process. The request is there and technically in place, and raring to go, but it is not being actioned because it is considered to offend the land claims process. So the land has not been transferred and, in all honesty, I do not expect it to be.

Mr. Lang: Could the Minister explain to us how that type of a transfer request would offend the land claims process?

Hon. Mr. McDonald: In the Whitehorse area, as most people know, there is a reselection being undertaken, albeit minor. There are many issues to address and land use conflicts to address. The Kwanlin Dun has indicated that they would be prepared to go along with specific requests that could be identifiable. I have them listed here. They do say "pending Band consultation", but I believe that is almost complete already.

In this case, the land requests being made are known to the Band. They do not offend what it has in mind, with respect to its requests. For that reason, it is considered nonthreatening. It is a simple blanket transfer of land, irrespective of whether or not there is an application for the land, irrespective of whether or not there has been any resolution to the conflicts with those applications that would be considered threatening and have been considered threatening by federal officials.

Mr. Lang: The Minister referred to a fact that there was land identified in the previous native land claims selection and, therefore, "frozen". He said there was a reselection going on and that there were changes being made, although minor. Are we going to be seeing an increase in the size of the amount of land that was made available and negotiated through the previous process?

Hon. Mr. McDonald: I am not competent to respond to the question in the sense that I am not responsible for land claims, but I do know that Bill C-31 increased the Band membership. That has

provided some impetus for reselection.

With respect to the details, I would encourage the Member to speak to the Minister responsible for land claims.

Mr. Lang: I do not understand why you say C-31 increased the beneficiaries for the land claims when, prior to the previous process, status and non-status Indians were all recognized and included in our settlement, which made it unique across Canada. Could he explain to me how that increased the number of beneficiaries?

Hon. Mr. McDonald: I am not going to debate the land claims with the Member. I have indicated to the Member what the policy is with respect to requesting land transfers. I believe that, comparatively, it is better. It can always be improved, but it is better than it has been in the past. I realize it takes a lot of work in terms of doing the consultation, but I am prepared, at my level, to undertake that work. The Lands Branch is prepared to undertake that work. We see that it produces concrete results, certainly better results than it has in the past. If Members have any suggestions for improvements to the process, we would be willing to listen to them. If anybody has any suggestion for improvement to the process, I would be willing to incorporate good ideas into the process. It is always good to improve it when you can.

49 I have indicated the direction from which we are coming with respect to land transfers in general, and I have responded to the issue of the effect of the land claims process.

Mr. Lang: Could he still explain to the House how C-31 has affected the land claims process, because he is the one that raised the issue, not us?

Hon. Mr. McDonald: I guess the Member asked, and I did tread into the land claims area. I will not tread into the land claims area any further at all.

*Lands in the amount of \$811,000 agreed to
On Community Services*

Hon. Mr. McDonald: The major reasons for the increase in the Community Services area is that it is projected that grants in lieu will increase this year. Water and sewer services will increase over previous years, and Members will also note that the Home Owners' Grant is now incorporated into the Community Services Budget. There will be some other initiatives undertaken. One will be in the field of training: Municipal Administration and Band Administration. At the last seminar that was held in Whitehorse on administration, there were as many Band administrators as Municipal Administrators and municipal politicians. It was very well attended, and there was cause for more work of the same to be done on an ongoing basis because of the turnover in municipal administration around the territory and because there is a need for training in specific areas in the area administration for municipal and Band administrations.

50 There will also be some considerable discussion on hamlet status for areas around the territory. It seems to be, under current legislation at least, the only vehicle for small regional governments. I have mentioned in the past that it would be advisable in the future to consider regional governments, but that is a major constitutional step that is something that we have to think deeply about before embarking upon.

There will be a program to train rural ambulance staff to bring services to a better level and, as I mentioned already once, there will be some analysis of the *Building Standards Act* undertaken this year to encourage the increased use of local materials.

Mr. Phelps: The issue of regional governments and hamlet status and the contemplation by the department may take up some time over the course of the next twelve months and is of interest to me. I am wondering whether or not the government is going to be reviewing regional government for areas such as Hootalinqua North, and if so what kind of a timeframe they are looking at in terms of consultation and review and coming forward with potential legislation?

Hon. Mr. McDonald: If hamlet status for a particular area is considered feasible, then we can through Order in Council, of course, and define that particular area by OIC as a hamlet. The work ultimately will be going into primarily consultation with the area affected to determine whether or not it wanted hamlet status

and whether or not it feels comfortable with the boundaries of the hamlet. That would be the work that would be undertaken. I understand and do remember being told about the meeting at which the Member, I believe, was present at the Baha'i Centre for the Deep Creek area. There were some suggestions, I believe even reported about, on the Member's comments with respect to perhaps hamlet status for the area. My information is that that initiative would not be without some controversy but would be worth pursuing.

So I have asked the department to pursue it with the people in the district. There is really not even a community association to deal with at the first stages, so there will have to be public meetings in the area to start identifying, firstly, of course, whether people want the hamlet status and the very minimal form of government that that represents; secondly, if they do want it, what the boundaries have to be; and thirdly, if that is all acceptable, to advise them as to the true character of what hamlet status means and responsibilities of the community, to adhere to and fulfill the responsibilities of hamlet status.

51 **Mr. Phelps:** I understand what the Minister is saying, but at that same meeting there was some discussion and certainly the request that the government look at options other than hamlet status, the feeling being that hamlet status was really designed for a small community kind of area rather than the rural kind of area, the sprawling area that the northern Hootalinqua area really is. There was some discussion at the meeting that the department may very well canvass other forms of regional governments in Canada and make some recommendations. My question really is that because of the strong feeling by many of the people at the meeting, and certainly representations made when I gave a speech regarding hamlet status issues to the Association of Yukon Communities, there seems to be a fair number of people who recognized the need for some kind of local representation, but feel that other concepts ought to be at least examined as an alternative to the hamlet status provision, such as L.I.D.s and counties and so on. I am wondering whether or not any kind of work is going to be done at a policy level by the branch in that regard?

Hon. Mr. McDonald: As the Member noted, there will be some work of a very preliminary nature over the course of the next year to address the issue of sub-regional governments. I do not anticipate there being any concrete action taken with respect to implementing any changes to legislation for some time to come. I do not know if the planning for that has actually started in concrete terms, but the decision has been made to start reviewing alternatives or models that could be incorporated in Yukon. The *Municipal Act* was, of course, the result of extensive consultation with the CYI and the AYC and the government. I would think no less consultation will be required for the implementation of yet another form of government, that being a regional government.

I personally certainly am in favour of a regional form of government. I think that that would enhance efforts to decentralize Yukon government operations, because clearly there are certain responsibilities that cannot be transferred to municipalities whose boundaries end at the local subdivision.

52 I cannot give that person responsibility over lands or highways or anything else in the district, because the only people responsible are the municipal administrators, and they are only responsible to the taxpayers and the voters in that community. We will be starting preliminary work on regional government. In the interim, we will be discussing possibilities of hamlet status, if that is desirable, with communities — perhaps Tagish and Deep Creek and Ross River and Carcross, if there is a window of hope there.

Chairman: Any further general debate?

On Administration

Administration in the amount of \$5,407,000 agreed to

On Protective Services

Protective Services in the amount of \$1,516,000 agreed to

On Emergency Measures

Mr. Lang: Is there any reason for that?

Hon. Mr. McDonald: There is an agreement with the Government of Canada on Emergency Measures Services. Funds are cost recoverable in the Mains in the amount of 75 percent from the

federal government. At the time of writing the Budget, there was no clear figure as to what could be put in the Budget, so the decision was made to leave it out. There is every intention of fulfilling our responsibilities for the emergency measures.

Historically, the government has provided 25 percent through such things as the provision of office space and secretarial support and various other things. Essentially, there really is not much of a cost to this government under the federal-territorial agreement, and there is every intention of continuing on with the services here.

⁵³ *Emergency Measures in the amount of \$1.00 agreed to On Sport, Art & Recreation*

Mr. Lang: Does this reflect the changes that are contemplated with respect to the Lottery Commission? If so, can you show me where it is?

Hon. Mr. McDonald: No, the changes for the Lottery Commission would not show up here. The costs of managing the lotteries, the cost of doing the review of the applications and secretarial services do not show up in the budget. What has happened in the past is quite simply that the Rec Branch staff has spent much of their time working on lotteries, to the detriment of other programs of course, but there is no projection or change in the staff or in the funds that we provide.

There is a minor increase in transfer payments, which are the grants that we provide to sport governing bodies and the various organizations around the territory. That goes from \$831,300 to \$834,000.

The balance of the Other is really pretty much the same. There are some drops. Travel in the Yukon is down a tad to \$9,400. That is down more for Travel outside the Yukon to \$5,600. The Honouraria is up to \$3,850. Contract Services are approximately the same at \$16,200. Repairs and Maintenance is exactly the same. Entertainment is down a little bit at \$500. Supplies are up a bit at \$2,000. Postage and freight is up a bit at \$800. Advertising is up to \$2,500. Program materials are down a bit to \$7,750. Telephone is around the same at \$7,900.

⁵⁴ And as I say, the transfer payments themselves show an increase of less than \$3,000 at \$834,000.

Mr. Lang: The Minister said he was going to table some information at Question Period on lotteries. Do you think we could have it distributed?

I notice he is not making a big to-do about it, but I see government growing again, with \$370,000 voted here last year for the purpose of helping out our recreation facilities in the communities; and now we have \$513,000. Basically, I gather they are called recreation directors. So do I take it that it is the policy of the government to fund recreation directors throughout the territory? Is that correct? And if that is the policy, I do not know why we were not told about it.

Hon. Mr. McDonald: We were told about it. Not only were we told about it, but I was the person doing the telling. Last year, that was the only major initiative by the Recreation Branch to 60 percent cost-share recreation directors in communities, if I am not mistaken, to a maximum of \$13,000 for full time recreation directors and \$8,000 for part time directors. It is a very popular program. It is so popular it has been taken up by many of the communities. That shows an increase of \$70,000. I do not know where the Member gets the larger increase. The total includes community recreation assistance grants and the recreation directors and the grants for operation and maintenance, which is only \$24,000.

⁵⁵ **Mr. Lang:** I move that you report progress on Bill No. 6.
Motion agreed to

Mr. Lang: I move that Mr. Speaker do now resume the Chair.
Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order. May the House have the report from the Chairman of the 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 Committee of the Whole. Are you agreed?

Some hon. Members: Agreed.

Speaker: I declare the report carried.

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

Speaker: It has been moved by the hon. Member for Whitehorse Porter Creek East 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 5:30 p.m.

The following Legislative Returns were tabled April 7, 1987:

87-3-54

Watson Lake Forest Products, costs of repair and upgrading (Penikett) Oral, Hansard, p. 361

87-3-55

NCPC personnel transfers (Penikett) Oral, Hansard, p. 653

87-3-56

Confidentiality of feasibility studies under economic development programs (Penikett) Oral, Hansard, p. 415

87-3-57

Yukon Development Corporation, appointment to Board of Directors (Penikett) Oral, Hansard, p. 610