

power—which is what it is, in plain language—was engineered without her advice and contrary to the direct and substantial federal interest. However, I suspect it was the interest of Yukoners which was uppermost in her mind.

**An hon. Member:** Oh, oh!

**Mr. Penner:** We hear a great guffaw from the other side. The minister is not even aware that this is one of the most respected public figures in the Yukon, and to guffaw when I suggest that what she was expressing was her concern for her fellow Yukoners, all the minister is doing is further revealing to all here today how ignorant he is of the situation.

● (1230)

Nevertheless, let me turn now to the consideration of the minister's instruction to the commissioner regarding financial management. This is something that always concerns members of Parliament—financial management, financial control of money that is raised from the public domain. I am referring here to section 12(3) of the Yukon Act which instructs the commissioner to consult with the territorial finance committee in the preparation of estimates of expenditures and appropriations required to defray the costs of public services.

I suppose that Parliament instructed the commissioner to consult on these matters since, in the present fiscal year, for example, the Yukon derived \$23 million, or about 30 per cent of its operating revenues, from Parliament in the form of a deficit grant, and this is not to mention a further \$15 million this year in capital grants. All of this \$38 million is over and above the grant of about \$13 million in lieu of income taxes which the Yukon government will begin to collect itself next year. No wonder Yukoners are worried about their future taxes, and no wonder the Parliament of Canada, which puts money there, wants to have someone consult in the expenditures and appropriations of these moneys.

In any case, the minister, who assured the House that everything he has done was within the terms of the Yukon Act, was not happy with the words of section 12(3) as they stand—he did not like them at all. Therefore, in place of those words of the Yukon Act, he substituted some of his own. They are in the letter. Let me read them. He told the commissioner:

—the cabinet will prepare the estimates initially and then refer them to you.

Nothing could be plainer, more simple or obvious. If the law of the land is to consult, then you have to be physically present and talk about what is going on. If something is referred to you after the fact, and it is just sent over for your approval, then there has been no consultation and the act of Parliament has been violated. The minister does not seem to worry about that: after all he is the minister, he is the authority, he has good advice from the hon. member for Yukon and he does not need to worry about any of the niceties, any of the legal intricacies.

I am told that one of the effects of this change in wording is to relieve the commissioner of any participation in future discussions with officials in Ottawa as to the amount of the annual deficit grant required. Here again, it might not be right

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to say that this particular liberty of the minister's raised the indignation of the commissioner, but since it is a clear contradiction of the words and meaning of a statute of Parliament, it should certainly arouse the indignation of this House.

Apart from that, the question of financial arrangements between the two levels of government strikes at the very heart of this issue. Not only do Canadian taxpayers foot nearly 60 per cent of the bill for Yukon public services through federal agencies and the territorial government, but neither the member for Yukon nor the leader of the territorial government seem to be interested in responsible government, if responsible government means that you have to raise your own tax revenues.

The hon. member for Yukon is on record as subscribing to the view that the annual deficit grant which escalates every year is the birthright of Yukoners, not to be diminished in any way by territorial tax revenues such as those to be derived from the Alaskan Highway gas pipeline. I think I have an accurate quote of his words spoken before the pipeline committee. He said:

We see no reason why the deficit financing, to which we have been entitled over the years, should now be changed merely because the Yukon is going to be enjoying greater revenues as a result of a good tax deal.

The opinions of the territorial government leader are not far different, if one can judge by his comments only a few days ago, because he told Yukoners in a radio broadcast that new financial arrangements between Ottawa and the Yukon had not been discussed in the course of his half-dozen meetings with the Minister of Indian Affairs and Northern Development about the commissioner's new instructions. There was no talk at all about her role, her responsibility to participate in the finance committee. The leader of the territorial government lamented, "We are still a colony of Canada". He went on to say that the minister recognized this, and therefore financial arrangements would not change until responsible government had been achieved.

Responsible government would be achieved, he said, on the day that the Yukon territorial government did not have to submit a budget to the commissioner for approval. I do not have to tell you, Mr. Speaker, that that day will not arrive until the Yukon government finds itself in a position to raise its own revenues from its own taxes for its own operations.

**An hon. Member:** Just like Newfoundland.

**Mr. Penner:** The hon. member is now talking about equalization payments, trying to fog the issue. Newfoundland came into confederation under a clear set of principles approved and supported by the House. We are not talking about that; we are not talking here about amendments to the Yukon Act: we are talking about unilateral actions taken by the minister himself.

So far as this belief in a "deficit grant birthright" is concerned, Yukoners would have been most interested, as I was, to read some remarks which were supposed to have been given by the President of the Privy Council (Mr. Baker) to the citizens of Whitehorse in a speech which was not circulated there or given out there, but which was circulated only here in