

*Yukon Minerals Act*

Canadian ownership requirement by becoming a public corporation, some firms are forbidden to become a public corporation until they have satisfied certain prior commitments to their original shareholders. Indeed, this is the situation of Anvil Mines, the largest mine in the Yukon.

While I recognize, Mr. Speaker, that the hon. Minister of Indian Affairs and Northern Development is bilingual, I do not think that he should speak two different languages on the important matter of the development of our natural and national resources. In his speech in Dallas, he certainly gave unbridled encouragement to outside parties to come and participate financially and technically in the development of our resources. However, in the same month the same minister spoke about foreign participation in the development of the Yukon's natural resources in quite different language. In contrast to his remarks in Dallas, he advocated clear and strong measures, the practical effect of which for the Yukon will be that foreign investment will seek out other provinces, such as British Columbia, which do not have such hostile impediments to the development of their mineral resources.

I think, Mr. Speaker, we have seen what the political climate is in relation to the proposed Yukon Minerals act and that climate is not inviting. I should like now to say a few words concerning the economic climate of the Yukon. Mining has always been an endeavour for the hardy and the courageous. The Yukon requires these qualities in perhaps larger measure than elsewhere because of its remoteness, its long and deterring winters and the great practical as well as natural obstacles which have to be surmounted in order for a venture as uncertain as mining to be successful. The economic requirements for mineral development in the Yukon can only be described as stupendous.

To give hon. members a concrete example of the level of capital which is required to develop a mineral resource in the Yukon, I should like to quote from the experience of Anvil Mining Corporation Limited, a company incorporated under the laws of British Columbia, which operates an open pit lead-zinc mine and concentrator in the Yukon Territory about 130 air miles north and east of Whitehorse. Anvil Mining Corporation employs some 360 workers and supervisors and has just completed its first year of operations. It has invested in excess of \$120 million in its mining operations in the Yukon Territory and has yet to realize a profit from its investment, although the outlook for this is exceedingly favourable, at least under the present act. This company is 60 per cent owned by a United States corporation; without this financial participation it may well be that this particular venture could never have been started.

It is estimated that in 1970 the mining industry in the Yukon accounted for over 50 per cent of the economy's output. Perhaps as much as three quarters of the work force of the Yukon is employed either directly or indirectly in the mining industry. I submit that the economy of Canada, to say nothing about the economy of the Yukon Territory, is already suffering from sufficient ills

[Mr. Ritchie.]

and anxieties to preclude additional ones being introduced. I submit that the government ought not now to be considering restrictive measures against foreign participation in the economy of the Yukon and increased royalties on the mining industry, while at the same time continuing to hold over the heads of potential investors the uncertainties of the government's new taxation measures which, on the basis of the thinking evidenced in this bill and on the government's recent actions, will only aggravate the economic problems of the Yukon.

• (4:00 p.m.)

The government, with its army of economists and other advisers, should know that under the best of conditions it would be a challenging task to attract all of the capital which this country needs to develop an area so remote and costly to develop as the Yukon. The economic climate of the Yukon is such that it cannot afford to sustain the vagaries, inconsistencies and ill-considered proposals that are advocated in this proposed legislation. The social and cultural development of the Yukon is inevitably affected by its economic climate which, in turn, is governed by the political climate set by the government of the day. There are, I submit, Mr. Speaker, great hardships in this proposed legislation. I am confident that these will be dealt with at length by other members of my party.

I should like, for the moment, to remind all hon. members that the Yukon is in a particularly vulnerable position, perhaps even a defenceless one, when we remember that it is a territory as opposed to a province. As such, it is lacking some of the means by which a province would resist the measures which are proposed in this bill. I believe, however, that because of the precarious conditions which do exist, the government is under a special obligation not to treat the Yukon as a ward of the state, but rather should remember that governmental policies which do not promote full political, economic and social development in any region of our country must inevitably be self-destructive.

The proposed legislation gives us grave cause to question the government's wisdom and intentions. Let us remember that in June of 1967 the government and the mining industry held extensive discussions in Ottawa regarding what should be included in a new act. The mining industry came away from this conference having reached a consensus with the government. However, it is interesting to note what they now say. I would like to quote briefly from their submission to the House of Commons Standing Committee on Indian Affairs and Northern Development. On page one of their brief, the Yukon Chamber of Mines states and I quote:

The Chamber is profoundly disturbed, however, that the government has taken the opportunity since the consensus reached in 1967, to drastically alter the basic philosophy of the legislation on a number of key points to the serious detriment of the mineral industry and hence to the detriment of the economy of Yukon residents.

In closing, Mr. Speaker, I suggest that the act which is before us for consideration should show greater evidence of more equitable treatment by this government of the