

Yukon Minerals Act

because I feel that it epitomizes the youth, vigour, and the potential for development of the Canadian nation. It is the great frontier of our resources. Unlike Ontario, which is highly industrialized and developed, the Yukon, the Northwest Territories and Labrador are relatively undeveloped, despite the fact that people have been working in those regions for centuries.

The great industrial complex of Ontario, of Montreal, and many of the great industrial complexes of certain parts of the United States, such as the New England States—Pittsburgh in particular comes to my mind in connection with Labrador—depend on northern Canada for their existence. This is their resource area, and this is the area in which we need the clearest kind of direction and legislation, particularly with respect to our foreign ownership and our taxation policies.

When I was 16 years old I worked, for the first time in my life, at Schefferville, or Knob Lake as we called it, which is on the borders of Newfoundland and Quebec. I may say that Quebec is still concerned about the legitimacy of the border between it and Newfoundland, which was established back in the early part of the twentieth century, but that is a political debate which has little significance in connection with this bill. That particular community of Knob Lake, in the wilderness of Canada, at that time had a work force of over 2,000 people, all entirely depending on the development of the mineral resource of that part of the nation, which is iron ore. I worked on building a railway which runs from Seven Islands, Sept Isles, some 360 miles to a little known community. That railway was being built by the Quebec North Shore and Labrador Railway, for the specific purpose of developing iron ore resources. It indicated the extent to which people are willing to risk their financial resources in order to develop something of great potential. Frankly, in most cases, the aspiration of the developer, be he an individual or a company, is to make a killing. Developers have an ambition to increase their wealth and financial power. We have to build enticements and attractions into our taxation policies to draw Canadians with power, vision, determination and drive into remote parts of Canada to develop the natural resources of our country.

I have not been in that area since 1956 or 57 but I have had occasion to visit many other newer mineral developments, and other kinds of resource developments. If the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) were present, Mr. Speaker, with his expert knowledge he could give you in more detail some idea of the \$1 billion development project taking place at Churchill Falls, which last year was employing a work force of 6,400. I visited Churchill Falls and was told at that time that it had the second largest labour force in North America, the largest being engaged in the American space program. The total financial resources required for the project come from private sources. I cannot say exactly what proportion of them is made up of American dollars but I want to tell you one thing, Mr. Speaker, that we were not too concerned with the question of whether they were Canadian, Chinese, Russian, Indonesian or American. As long as we got the development, we were

[Mr. Lundrigan.]

quite happy to see it, the largest hydroelectric project in the world, employing a labour force of 6,400 persons. This labour force will be reduced over the next five years as the project develops, but the main thing is that we are getting this major development all out of private capital.

• (5:00 p.m.)

In St. John's, Newfoundland, last year I listened to the competent new President of Brinco, Mr. Mulholland, who spoke before our Finance Committee and presented a report on behalf of his company. He said that if the uncertainty which now enshrouds the taxation system in Canada, and encompasses every way of life, had existed when the promoters of Brinco contemplated the Churchill Falls project, it would never have gotten off the ground. I thought that a very dramatic statement by a businessman in Canada. He also said that the \$500 million development on the lower Churchill, the Gull Island development which would cost half a billion dollars would never be developed with the present lack of incentive and tax uncertainty in the Canadian nation. This is as close as I can come to his words, but I think they sum up dramatically the uncertainty and concern in the minds of Canadian developers and businessmen as far as development in the north is concerned.

I should like to suggest that every member of the House of Commons visit Labrador before the project is completed, and after as well. It is the most magnificent development that I have ever seen. I felt like Gulliver in the land of the giants. Everything from the wrenches to the butter dishes in the dining room, which holds 3,000 people, was out of proportion to reality. One expected to see men ten or 12 feet tall walk around the corner. This is the kind of development that we have now in northern Canada, in the last great frontier, the great Labrador mainland part of the province of Newfoundland. It is only one of several types of development in that part of the country, an area which in the next 20 or 30 years will contribute much to the development of our nation.

In that part of the country there is no one who is a drag on the Canadian public. Everyone is contributing heavily in taxation through force of circumstances. With the positive taxation position of the Labrador part of the province, Newfoundland is more significantly a financial part of the nation than most Canadians realize. There are other areas of that country which are developed. I refer to Wabush and Labrador City, which has a population of about 8,000, and its twin city has about 7,000 or 8,000 people.

What has all this to do with Bill C-187 which is before us? I do not exactly understand the purpose of the government in introducing this measure, but it does give Members of Parliament a chance to expound on some of their attitudes toward foreign ownership and such matters. One aspect of this bill is that it places an embargo on investment in the Yukon. Reading the bill, and the remarks of the hon. member from the Yukon, makes me wonder if it should be classified as kite flying. Is the government flying a kite to see how this kind of thing works in the Yukon? Is the Yukon being used as an