

code in the form of the Yukon Quartz Mining Act operating in the territory for almost half a century with no power to make regulations. In the same breath the Minister of Indian Affairs and Northern Development (Mr. Chrétien) likes to take all sorts of plaudits for the rapidly accelerating development of the mineral industry in the Yukon. If it is rapidly accelerating and growing, it must be doing so in an efficient fashion. If so, why then is there the need for the inclusion of these wide discretionary powers in respect of making regulations? There can, of course, be but one answer. The government, the state, does not want the mineral industry to be controlled by the investment dollar. They want to tell the mineral industry where, when and how it can mine and under what terms. In fact, they wish to have virtual and absolute control over the industry. That is why, the last time I participated in this debate, I said it is their intention, whether declared or otherwise, not only in this field but in all the legislation I have seen go through this House in the last two and a half years, to garner for the government an increased degree of control through legislation. There is a long list of those engaged in the mineral industry in the north country who are profusely objecting to the provisions of this bill, two of which I have pointed out. I am not understating the situation.

A third objectionable feature of the bill is the newly constructed royalties provisions which the minister would have the members of the House believe alter in no substantial way the provisions that are in effect in other parts of Canada. That, Sir, is far from being the case. The royalties provisions now in this bill, if applied, will triple and more the royalties which are now payable by those pursuing the development of our mineral resources in the north. The minister, in his last remarks on this bill, equated the royalties which would be payable under these provisions with those now payable in Quebec and British Columbia. That is far from being the case. If the regulations are applied as they are now, the royalties will be substantially increased over the royalties paid by the industry in those two provinces, and this despite the fact that mineral resource development in the Yukon must compete with markets 1,500 miles further away than those in the province of British Columbia and the province of Quebec.

Mr. Chrétien: Mr. Speaker, I do not wish to interrupt my hon. friend but perhaps I could save him some time. Is he not aware that I said I intend to propose at the committee stage some changes in respect of the point he is making. I said this in my first speech. I would hope, therefore this debate could be completed as quickly as possible so that these changes might be made.

Mr. Nielsen: I realize the minister would like to see his bill go through without any objection whatsoever or that he would like to see a minimum amount of disagreement in respect of these objectionable features.

Mr. Chrétien: State the facts.

Mr. Nielsen: Mr. Speaker, I am stating the facts, and when I do not I invite the minister to interrupt. The minister made a token gesture, accompanied by blaring

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trumpets, when he stated that he would make some alteration in the royalties. I predict the alteration the minister will introduce before the committee will be simply taken as a camouflage in an attempt to make the bill more palatable to those who submitted massive objections to him, to the Prime Minister (Mr. Trudeau) and to the committee in respect of royalties and the other objectionable features. When the minister made the statement to which he referred, and published his press release, he said nothing about making alterations to the offensive regulatory power he has included in the bill. He said nothing about presenting an amendment in the committee regarding the restrictions we now impose on the investment dollar. For some 70 years the investment dollar has been flowing into the Yukon for the purpose of developing its mineral resources. Now, all of a sudden, the minister includes a provision in this bill which has already frightened away 30 per cent of the investment capital which is non-recoverable this year because the companies make their plans much in advance of the fall.

I have been told that the loss in respect of the investment dollar this year might be 50 per cent. This is accompanied by another serious difficulty. When I was in Alaska I was informed they have now enacted a retributive regulation which imposes upon Canadian companies a requirement of reciprocity. In other words, Canadian companies that have been active in exploration activities along the 50 mile strip of the Alaskan territory west of the Yukon-Alaskan boundary will be required to come up to the same standard that we are imposing upon United States Companies, otherwise they will not get rights to go in and explore that territory. Already deleterious effects on the Canadian industry and resource development in the Yukon have been noticed.

• (2:30 p.m.)

I will name just a few of the companies that have registered complaints with respect to this bill. This bill cannot be considered in a vacuum because, when combining the odious provisions in this bill with the completely impractical provisions in the land use regulations, which the Governor in Council intends to enact, governing the activities of explorers for mineral resources in the Yukon, and combining these provisions further with the probable legislative consequences of the white paper, we can find that the independent existence of the mineral industry in the Yukon will be virtually snuffed out.

Dynasty Explorations Limited, one of the major shareholders in the \$100 million mining development at Anvil in the Yukon have registered very strong complaints against the provisions which I have pointed out in this bill. Atlas Explorations Limited, active in the Yukon to a great extent, have now pulled in their horns this year as a result of this odious piece of legislation. New Imperial Mines Limited who have closed down their operations this year because they ran out of economic ore as a result of the lowering of copper prices, is another such company. It takes no genius to figure out that the more overhead you place upon the mineral industry in the Yukon territory, a high cost area of operation, in the form of royal-