

Yukon Minerals Act

of it as is essential for the purpose of its mining operations. There are other other similar sections in the act. He says the new bill will allow more effective management. Well, if one accepts my argument of a moment ago that private industry is doing a pretty efficient job of management, since otherwise there would not have been the greatly increased production we see today in the Yukon, one can only assume the minister means that the new bill will allow more effective management by the government. It will certainly do that. The clauses in the new bill provide broad and sweeping, almost limitless powers, to officials in the department and to the minister himself. As the bill now stands, there is only the rare clause that provides for any appeal to the judicial process.

The minister says that the new bill provides incentives. I have looked over that bill pretty carefully and I cannot see any provision of incentives to the mining industry. Indeed, there has not been one of the dozen or more briefs that I have read, copies of which the minister and the Prime Minister (Mr. Trudeau) have received, that has not cried out against the oppressive clauses in the bill. When the minister speaks of incentives, therefore, he is inaccurate.

Then, the minister went on to list the ten relatively minor improvements to the Yukon Quartz Mining Act, and they certainly are improvements. Nobody is going to argue that the removal of staking limits is not an improvement, nor will anyone argue that staking by proxy is not an improvement or that staking by stone cairns on top of a 7,000 or 8,000 foot mountain is not an improvement over carrying up or flying in stakes in great numbers. Nor is anyone going to argue that our taxing provisions are not out of date and that the provisions in the new bill are an improvement over the Yukon Quartz Mining Act. Similarly, the increase in grouping the remaining provisions which the minister pointed out in his remarks is also an improvement. But these are only minor improvements in relative terms.

He asked the House to believe that the new royalties provisions for the Yukon are more favourable than are those in Quebec or those in British Columbia, yet he has received submissions from the organizations in British Columbia, in the Yukon and in Toronto that this is not the case at all. He speaks of the rate of royalties which indeed, in the manner in which he has explained it to the House, appear to be more favourable in the Yukon than in existing legislation elsewhere. However, he refrained from informing the House that if one examined carefully the subsections of the royalties provisions in the new bill one would find that there were all sorts of broad discretionary powers given to the minister, and one would also find that the allowable deductions with respect to royalties are not as generous as those elsewhere.

The minister said also that the government has a responsibility to ensure that the people of Canada, including northerners, are paid at an economically sound rate for their non-renewable resources. I wonder how many times he has heard those northerners whom he would like to include as participating in this kind of revenue cry out to partake not only in the revenues that are raised in the Yukon but in the manner in which they are

spent. He said also that the north is not the only place in Canada where there are remote mines, that there are places just as remote and isolated as the mining operations in the Yukon. But he neglected to point out to the House that there are none more remote from the markets of the world with which our product has to compete. He failed to point out that our transportation problems, in the Yukon are far more difficult than those in any other comparable area of Canada. He also failed to point out, and this is a big factor when one is considering royalties, that in the Yukon the costs on the average are between 25 per cent and 30 per cent higher than elsewhere. One statistic comes to my mind as a good example, and this goes back eight years. The average annual production of United Keno Hill Mines used to fluctuate between \$12 million and \$15 million, and what was left of this after paying the costs of production, transportation and smelting, was between \$1 million and \$1.5 million. There is a comparison which he can stack up against the mines of the more southerly areas of Canada.

Then I had to sit back and listen to the irony of the minister's remarks with respect to mining production in the Yukon. He said that in 1968 it amounted to \$21 million, and the royalties were only \$45,000. He said that in 1969 production had risen to \$38 million and the royalties paid by the six producing mines were still only \$245,000. Not long ago we were debating changes to the Yukon Act which, if the government had followed the importuning of this House, would have given the people of the Yukon at least the democratic right to determine how the tax money which they were required to raise would be spent. We heard the minister say that the government could not broaden these powers now because the Yukon was not making enough to pay its way. He played down the economic contribution of the Yukon to the national treasury. Now, because it suits him, because the federal treasury wants more money from the producers of the Yukon, he speaks with pride. He tells us how much money is coming out of the mineral production in the Yukon, and this justifies the federal government in taking more. It seems to me that that must be the height of hypocrisy.

• (2:50 p.m.)

He spoke also of the Canadian ownership provisions. I will have a little more to say about that in a moment. There are two very weak points in the ownership provisions in this new bill. One is that if a company is listed on the Canadian stock exchange, under the provisions in the new bill, the requirement of Canadian ownership is met. All one has to do is to list the shares of a foreign company on the Canadian stock exchange. Then, the other requirement relates to a foreign company which is a private company, and unless the stock is widely distributed or available for purchase the provision in the new foreign ownership clauses will not be met. This introduces the element of discretion. Who is going to say whether or not a private company's stock is widely distributed or available for purchase? It is going to be the minister or, at the very most, the Governor in Council. If the minister asks us to believe that this will not hamper