

sharp drop can be partly attributed to reduced operating profit due to lower metal prices, and junior mining companies being unable to raise risk capital on the stock exchange. However, nearly all respondents indicated Bill C-187 and the white paper on tax reform were factors in their decision to reduce their budgets.

I suggest that there is ample evidence in the experience of other countries to enable us to see that it is never a difficult thing for a government to drive foreign investment from a country. When so many Canadians regard government bonds or real estate holdings as vastly preferred investments to participation in our natural resource industries, I think it would be negligent of us not to give the most careful scrutiny to the implications of the legislation before us. It is easy to say that those people in the mining industry are pleading a special case, and no doubt to some degree that is so. I am, however, well satisfied that their experience is such that it behooves us to give it the most careful consideration before we reach any conclusions concerning it.

The Mining Association of Canada has published an interesting little booklet, on page 2 of which are contained some remarks regarding certain factors which have contributed significantly to the growth of the mining industry in Canada. The third paragraph reads as follows:

Confidence that the ground rules will not be changed have been a vital factor in the growth of the mining industry to its present size, a growth which has been at least at twice the rate of the over-all Canadian industrial sector. This certainty of government and public policy has encouraged the mining industry to undertake the long term risks involved in pushing further into the unknown and undeveloped parts of the country.

The mining industry in the Yukon has been developed on the basis of courage, optimism and good faith. Just when it is beginning to show signs of its full potential, let us not rush in with untimely and unwarranted measures that could well lead to its destruction. Any benefits which the government might derive from increased royalties on mining in the Yukon territory could well be offset by mining companies directing their future explorations to more favourable areas. The economy of the Yukon is so demonstrably tied to mining, that it ought not to require any great insight to anticipate what the effects on it will be if mining ventures are driven from it or discouraged from expansion by legislation which is of such a negative and restrictive nature as that proposed in the present bill.

Before concluding, I think it could well be suggested at this time, in view of the ever expanding interest by the Canadian people in the question of economic nationalism, that this would be a place to start with positive suggestions or proposals to the Canadian people to allow them to participate in the development of the resources of this country.

• (4:50 p.m.)

I feel that all the discussion which has taken place during the past six or eight weeks about our losing control of our resource industries has been really unnecessary. First of all, I believe that the resource industries to a large extent are subject to governmental

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control and regulation, and so long as the country or the provinces having jurisdiction over these resources, have the proper rules and regulations and those rules and regulations are enforced, then we should not really worry about who owns the resources. Ideally, of course, I think that Canadians should own Canadian resources, but I would not be prepared to opt for government ownership if that were the only way we could have Canadian ownership.

It is the function of the government to create the proper atmosphere to draw Canadian funds into developing areas. For too long we have been operating on the basis that we have been at a disadvantage compared with people who are not Canadians. We can point to examples where our own money has been used by foreign companies to develop our resources. A major illustration of this is the petroleum industry in western Canada. To a large extent the petroleum industry in western Canada, which is more than 50 per cent foreign owned, was developed with Canadian funds, but Canadians were unable to have the same advantage in the use of their funds as foreigners had. This situation has gone on for too long. Here, we have an opportunity to reverse that trend, to set up a royalty schedule which would give a clear advantage to Canadians who would take the risk of developing these resources. I would urge the government to consider taking this important step. In my opinion, this is the only practical way in which Canadians will roll back the high percentage of foreign ownership, particularly in the resource development field.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, it is with a great deal of pleasure I take the opportunity to participate in the debate on Bill C-187 in support of my colleague from the Yukon and of other members on this side of the House who have spoken. It is very clear that hon. members on the other side of the House do not intend to take part in the debate. This debate is very complex. It goes far beyond the reaches of the Yukon, and certainly is of much more significance than just the specific aspects of it that apply to the northern part of Canada. The thing which struck me most forcibly about the hon. member for Yukon's objections to the legislation was his concern about the regulatory powers being given to the minister and the government in relation to the mineral code of the Yukon, and I suppose we can say to the mineral code of the north. This is a clear indication of excessive government intervention, involvement and control in the development of the northern frontiers of the Canadian nation.

The hon. member was very concerned about this. From talking to people who are conversant with that part of Canada, I understand that this bill has already had a significant impact by scaring away capital necessary for the development of the northern parts of Canada. Already we are reaping the negative benefits of a piece of legislation which is still before the House, but which hopefully will be withdrawn and will never become part of the law of the land. Although I do not represent the Yukon, the Northwest Territories, or even Labrador, I have a particular interest in the northern part of Canada