

Yukon Minerals Act

a number of programs under which mining companies can obtain assistance from the government in northern development, it would appear that an increase in royalties is certainly justified. I might point out that the province of Ontario has placed a flat rate of 15 per cent royalty on all profits over \$50,000. They have a total exemption if profits are less than \$50,000. The province of Manitoba set the royalty rate at 6 per cent of income less than \$50,000, and 15 per cent on total income over \$50,000. British Columbia and Quebec have different royalty rates but they are slightly higher than in this act. I might add that the present bill only reaches the 15 per cent royalty rate when the value of the output exceeds \$5 million.

Mr. Speaker, I feel the more important aspects of this question lie in what I consider are very grave omissions in the legislation. It is my intention to deal with several of these, and other speakers in our group will no doubt enlarge upon these topics. As I mentioned earlier, there has been lack of adequate research and study into Canada's mineral resources in the north and in the rest of Canada. There has been no adequate research on our future national needs for various minerals, similar to the study by the National Energy Board on oil, gas and coal. In this study, the future demand and supply reserves were estimated, based on probable reserves and projected future production. Our future needs were based on certain premises of what our economic growth, industrial development and trading patterns would be.

It seems, however, that as far as other mineral resources are concerned the Canadian government is pursuing a "head in the sand" type of policy. The government apparently assumes that we have plentiful reserves and that our economic growth and balance of payments depends upon ever-increasing development and sale of our natural resources by whoever can be enticed to exploit them. This is the situation in which we find ourselves today. Our natural resources are being shipped outside our national boundaries in ever-increasing quantities and we in turn are buying back the finished products from the countries which take this raw material.

The tragedy of this policy is that our nation, which is one of the richest in the world, always has a large float of unemployed. Much of this unemployment could be eliminated if we had the foresight to insist upon fabricating a great deal of this raw material within our own nation. This fabrication has not taken place on a large enough scale because of the lack of foresight and planning by the federal and provincial governments, which have allowed the control of our natural resources to pass mainly into the hands of foreign investors.

For every job which is created in the extraction of raw materials for shipment to another nation there are literally hundreds of jobs which the other country can create by processing and fabricating our raw material into manufactured goods. Every step in the manufacturing process is usually far more job-intensive than the initial extracting process. It is time the Canadian people realized the position into which successive governments have driven us by their continual failure to take firm action on this major problem of having far more of our raw materials processed within our own country. As I men-

tioned earlier, this "head in the sand" economic policy is making fortunes for a handful of promoters in our extractive industries but is creating large-scale unemployment and poverty in some sections of Canada. The present policy might suit the industrial tycoons of the world but it certainly is not the best policy for the vast majority of Canadians.

In section 81 of the bill which is before us the government is offering an 8 per cent deduction of the original cost of the machinery, equipment and buildings in any plant used to process a mineral in the Yukon Territory. I feel this is a step in the right direction. It is similar to the incentive grants which are used to help establish industry in some of the slow-growth areas of our nation. In my opinion, however, this legislation does not go far enough. The federal government should insist, just as the Ontario government has done, that in future all ores mined in the territories must be processed and treated in Canada. Any exemptions would have to be based on a very strict set of regulations. One exemption might be in the shipment of uranium ore, which I understand is safer to ship without too much processing. The requirement that all ores and minerals mined in the territories be treated and processed in Canada would help ensure the development of our north and would help guarantee that the mineral resources in that area would benefit the citizens of Canada and especially those living in the Yukon and Northwest Territories.

There is no doubt that there are a number of opportunities in the north for the building of smelters. The raw material is there, and all we need is the determination of the government to insist that this type of processing shall take place. Any increased processing in the area would be a major economic boost for the territories. It would mean more jobs for the inhabitants and a larger tax base for the territorial governments and their municipalities. The processing of ores in the territories could lead to other types of industry and the establishment of a sound economic future for the entire area. All reports from our Canadian north indicate the lack of job opportunities, particularly for the native Indian and Eskimo populations. This bill, if adequate amendments were made to it, could make a start on providing more employment in our northern areas for all the residents who live there.

• (3:50 p.m.)

There is another large area of concern in northern development and this is in the field of pollution control and protection of the over-all environment. The lack of concern in this bill for pollution problems is a glaring omission. It is a clear indication that this government has no intention of really clamping down on environmental pollution. Section 96 refers to the northern inland waters act and any regulations made under section 3 (b) of paragraph 1(a) of section 18 of the Territorial Lands Act, yet no regulations have been made under this act. Therefore, we are being asked to pass a bill with no knowledge of the regulations that will be passed. There is no doubt the economic interests have been successful in diluting the measures required to fully protect our northern provinces. This will show up eventually in the land use