

Supply—Mines and Technical Surveys

However, this high degree of processing before export does not hold true for iron ore. This is because the high degree of integration of the primary iron and steel industry throughout the world and especially in North America places emphasis on processing iron ore in the importing country. Processing of iron ore into pig iron, then into crude steel and rolling mill products is normally done at the site of an integrated operation, a location which is usually close to a source of fuel and almost always close to highly industrialized centres of large population.

The increasing world supply of minerals and metals, which in some cases amounts to abundance, is bringing about an increasing degree of protectionism in the free world's two largest consuming areas, the United States and Europe. This has been manifested in the United States by restricting imports of lead and zinc by quotas, by open hearings by the United States tariff commission to study the effect of iron ore imports on the domestic industry, and by the introduction in congress of bills to restrict the imports of various other mineral commodities including crude petroleum, fluorspar and tungsten. The development of protectionism in western Europe is evidenced by the formation of trading blocs such as the European common market or E.C.M. and the European free trade association or E.F.T.A. Canada has many competitors for these mineral markets. There is no scarcity of mineral raw materials in the world, and it appears that competition for world markets will become even keener over the next decade.

The phenomenal growth of our mining and smelting industries has resulted from foreign demand for metals in the form of ore, concentrates or virgin metal. The industrial nations of the free world have developed their smelting, refining and manufacturing industries to a high degree. Their need is for mineral raw materials such as ore, concentrate and prime metal rather than in the rolled or more fully processed forms. These countries protect their processing industries by placing tariffs of increasing severity on imports in direct proportion to the amount of processing that has been done on the particular commodity. In the mineral industry minor tariffs are set on imported ores or concentrates, higher tariffs are imposed on metal in ingot or prime forms, and progressively higher tariffs are usually in effect on semi-fabricated and fully manufactured products.

(Translation):

The minerals and the industrial products obtained from minerals are becoming increasingly important for the Canadian export trade. The export value of those products

exceeds that of products of any other industry. In 1960, that value, including the manufactured goods of mineral origin, accounted for 41.6 per cent of the total national exports. From 1950 to 1960, the export value of minerals and industrial products obtained from minerals increased by 124 per cent, while the value of the total exports increased by 40 per cent in the same period.

(Text):

From a mineral resources and supply point of view, Canada gives every indication of becoming increasingly important. This country will continue to be a major contributor to the world's mineral requirements. Our mineral resources are ample both to support a much larger industrial output in this country and to provide minerals and primary metals to satisfy any foreseeable demand by countries of the free world. However, to maximize the use of our labour force and to improve our trade balance it will be necessary to enlarge and diversify our secondary manufacturing industries, particularly those based on minerals. To maximize the value of our mineral output it will be necessary to attain the highest possible degree of mineral processing and metal fabrication before export. A first step in moving toward this objective appears to be the growth and further diversification of our secondary manufacturing industries to supply a larger portion of our own domestic requirements for finished products than at present. It will only be through continued close cooperation and consultation among all levels of government with industry that the desired results will be attained to the greatest benefit of our total economy.

(Translation):

I should like now, Mr. Chairman, to say a few words on my departmental estimates and give an outline of some of the projects in progress.

As hon. members will see on page 44 of the blue book, the department is requesting for 1961-62 appropriations to the amount of \$44,600,358, an increase of a little over \$4 million from the previous year. Salary adjustments account for 40 per cent of that increase and the remainder is mostly due to the development of field work and to the increased cost of these field undertakings, as we are progressing northward. Moreover, we have accepted to carry oceanographic projects in a much more extensive way, and we are assuming the cost of a third expedition, which will be the most elaborate one ever undertaken on the polar continental shelf. In the field as well as in laboratories, we have speeded up research in order to find solutions to the new and urgent problems raised by several aspects of our national development program.