

Mr. MURPHY: I do not think that is practicable. The moratorium has been granted for a period of a year, during which it is not necessary for them to do representation work, though of course they may go ahead and do it.

Mr. IRVINE: But when that year is up, if they have not made sufficient improvements to qualify; then if another year goes by and still they have not done any development work, would it not be possible to take back the claims?

Mr. MURPHY: As I said a moment ago, the moratorium is only for a period of one year.

Mr. COOTE: When was that moratorium granted?

Mr. MURPHY: I have forgotten the dates. It was some months ago in the case of the Northwest Territories, and two or three months ago in the case of the Yukon.

Mr. COOTE: Was that done by order in council?

Mr. MURPHY: Yes, under the regulations.

Mr. SPENCER: At whose request.

Mr. MURPHY: The request came from different quarters, but principally from the prospectors themselves. I may say that the moratorium was granted for several reasons. One was that this region is very inaccessible and there are many difficulties in the way of transportation, as other speakers have already pointed out. Then again there was the low prices obtained for minerals such as silver and copper, which are the principal minerals found in those areas.

With regard to the government's control of radium, it goes without saying that in the first instance the mineral resources of the country belong to the state. That, of course, is self-evident; it is granted. But we have had on the statute books for a long time laws prescribing how these resources shall be disposed of, and until the present time the mineral resources of this country at least have been developed by private enterprise. Private prospectors have gone into these unknown quarters of Canada and have spent years, sometimes practically a lifetime, prospecting, and have met with many disappointments, and it is only a certain type of individual who will undertake that work.

Mr. SPENCER: What royalties are demanded?

Mr. MURPHY: I shall come to that in a moment. There are only two methods by which these resources can be brought into

production: one is by the government actively going into the mining business or, on the other hand, by private enterprise; and until the present time they have been developed solely by private enterprise. These radium deposits are still in their infancy. The extent of the deposits is not yet known, nor to a certain extent has their richness been ascertained. Moreover, there are in Canada no refineries which are capable of carrying on the refining of that ore, at least commercially. The only place in which they can be refined at the present time is a small laboratory in the Mines department in Ottawa, and the process of reducing that ore has not yet been completed even here.

As regards the control which the government exercises at present, the payments which are made to the government in the way of royalty are provided for by certain regulations, which set out what the state shall receive from the private owners, those who are actually developing these mines. Possibly I cannot do better than read the clause which deals with this point. It is to be found in section 93 of the quartz mining regulations:

There shall be paid to the crown on every mine acquired under the provisions of these regulations, or under the provisions of the quartz mining regulations which preceded these regulations, an annual royalty on any profits of such mines which exceed the sum of \$10,000 during any calendar year, and the owner, manager, holder, tenant, lessee, occupier or operator of the mine shall be liable for and shall pay to the crown an annual royalty as follows:

- (a) upon annual profits in excess of \$10,000 and up to \$1,000,000, three per cent;
- (b) on the excess above \$1,000,000 up to \$5,000,000, five per cent;
- (c) on the excess above \$5,000,000 up to \$10,000,000, six per cent;
- (d) on the excess above \$10,000,000, a proportional increase of one per cent for each additional \$5,000,000.

In addition to that, subsection 4 of that section reads:

The annual profits shall be ascertained and fixed in the following manner. The gross receipts from the year's output of the mine or, in case the ore, mineral, or mineral-bearing substance, or any part thereof, is not sold but is treated by or for the owner, tenant, holder, lessee, occupier or operator of the mine, upon the premises or elsewhere, then the actual market value of the output at the pit's mouth or, if there is no means of ascertaining the market value, or if there is no established market price or value, the value of the same as appraised by the mining recorder shall be ascertained, and from the amount so ascertained, the following and no other expenses, payments, allowances or deductions, shall be deducted and made.