

*Supply—Mines and Technical Surveys*

I would also urge the minister and, through him, the government to give greater aid to those at the grass roots level, if I may use that expression, of the mining industry. I am thinking of the prospectors. There are still great mineral discoveries to be made in this land as has been shown most vividly in the last few months in the Timmins area, for example. We have seen how prospectors, working very often without assistance and with the most rudimentary means, have been able to find great deposits. The amazing thing is that these deposits are often found close to existing mines. One might imagine that such areas, which are known as mineral producing areas, would have been well explored, prospected and analysed in every way. If there were any mineral veins lurking around the subsoil in that area they would have long ago been discovered, but this has not been the case, as experience shows every day.

The real glamour of the mining industry is vested in the prospector, he is the man who does not fear to face great physical hardship, who goes out into the wild and rugged sectors which abound in our land, and who very often by sheer determination and faith in his lucky star will hit the jackpot, as it is commonly put. As a result a new mine may be established. I think the government should bend itself to consider the needs of such a person who is so important to the over-all saga of mining in Canada. Let the minister be able to provide facilities for loans or subsidies to the prospector to enable him to get the technical and scientific gear and equipment necessary to carry on his trade. He is not helped enough by the government, and special facilities should be provided him. I urge the government to give serious consideration to assistance of this sort which I am sure would mean very little in terms of the fiscal position of the government, but which might result in much increased prospecting activity throughout Canada, and therefore greater discoveries at a time when new discoveries are urgently needed by the mining industry. As I stated a few minutes ago, deposits are getting lower, the grade of ore is getting lower, and more difficulty is being encountered in obtaining deposits than before.

Another way in which the government could help the mining industry would be in considering the elimination of the tax on production and equipment machinery. It is no exaggeration to say that that tax has virtually crippled, in many cases, small

marginally producing mines. It has, of course, considerably impaired the competitive position of these mines and it would seem that there is no real fiscal justification for a tax of that nature which attacks, as it does, the very things which lead to increased production in the country. At a time when the Minister of Finance is continually speaking of the need for that type of expansion, why should that tax remain? In addition, the way it has been applied should be closely considered by the minister. The minister was himself the former and very brilliant and able financial critic of his party and I am sure his counsel would have more than just passing influence at the decision making or policy making level. I think he should make urgent representations in this regard to his colleague, the Minister of Finance.

I realize that the minister has received briefs from the metal mining association and others which have in a very lucid way set out the difficulties which the tax has caused, and to my mind caused unfairly. Therefore I am sure that the minister, who really has his heart in the right place, is going to exert every possible effort to see that this situation is corrected. At the same time, he being, as I know he is, an expert on the different financial and taxation statutes on the books, he should look into some of the sections of the Excise Tax Act, because some clarification is needed there. I am told that the way some sections are being interpreted does not permit the mining companies to qualify for the exemption provided on materials which are used directly in the productive processes. These materials are normally exempted, yet by some bureaucratic technique, about the finer subtleties of which I confess I am ignorant, these companies cannot or do not seem to be able to obtain this exemption. Therefore, new mining ventures are often not pursued, which results in a loss to the mining industry and the gross national product, a loss of revenue all round and also of employment opportunities.

**Mr. Benidickson:** Mr. Chairman, may I say that I have spoken to the officials in front of me and we will make representations to the minister again.

**Mr. Martineau:** I realize the minister is aware of the problem, but by stressing it probably some action will result. I know this action is much hoped for by the mining industry.

I was happy to see that the cost aid program has been extended with some modifi-