

Our mineral economy has been further strengthened by the union of Newfoundland with Canada. As a producer of minerals, Newfoundland, on the basis of value of output in 1948, is next to Manitoba and well ahead of New Brunswick. The total value of its mineral output last year was about 16 million dollars. Mineralwise, it is best known to Canadians for its production of iron ore from the Wabana deposits. We have been obtaining this ore for our steel industry at Sydney since 1895. These shipments in 1948 amounted to approximately 710,000 tons. Overseas demand for the ore has been exceptionally strong and in 1948 shipments to Great Britain and Germany reached a total of more than 1,600,000 tons.

Newfoundland also supplies us with most of our requirements of fluorspar for use in the production of aluminum. Next to Great Britain it is the largest producer of this mineral in the Empire. In addition, we obtain part of our requirements of grinding pebbles from Newfoundland.

Next in importance to iron ore is the Newfoundland production of lead, zinc, and copper from the Buchans deposits. This reached a total value in 1947 of close to nine million dollars. A few minerals, other than those I have mentioned, are produced in small quantities. However, except in the Labrador-Quebec iron region, and in limited areas elsewhere, neither Newfoundland nor Labrador has been extensively prospected.

I have briefly reviewed the status of the industry with the idea of bringing to your attention the fact that the Government is fully aware of what a sound flourishing mineral industry means to the prosperity and economic stability of Canada.

Government assistance and encouragement to the mineral industry takes many forms: the services, for instance, of our Geological and Topographical Surveys, and our Bureau of Mines at Ottawa; the financial assistance we have provided in the construction and improvement of roads into mining areas throughout Canada; the power development at Snare River in the Northwest Territories to supply electrical energy to mines in the Yellowknife and other regions; the various income tax concessions granted as a means of encouraging and speeding up mineral development; the bringing in of Displaced Persons to offset the labour shortage in the mines; and about a year ago, the Emergency Gold Mining Assistance Act and its complementary legislation of the present session.

The development of Canada's mineral resources has been closely associated with the exploration and settlement of large sections of the country. The encouragement of this development has become increasingly prominent. Very large areas, particularly in the north, are of value as a potential source of mineral wealth. A uniform expansion of the population into these areas is considered particularly desirable. In addition to direct assistance and participation in works projects such as construction of roads, power plants, and other services, Parliament has passed legislation placed before it by the Government designed to stimulate exploration and development of minerals and oil. In these concessions Canada has probably gone farther than any other country. Some of this special legislation has been in effect for years.

As mine production involves the gradual exhaustion of the ore, a deduction is allowed in the calculating of tax-