

looking into the whole iron ore question. With the approval of the House I am going to read a few paragraphs from the report. At the time this report was drawn up the final report had not been printed—this is only a mimeographed copy. The committee say:

The committee appointed by order in council, October 25, 1922, to make research, investigate and report upon the extent and quality of the deposits of low grade iron ores in Ontario, the best commercial methods of beneficiating the same and generally what steps or measures should be adopted to enable the low grade and other iron ores of this province to be utilized in the production of pig iron and steel, have the honour to submit their report herewith.

I have glanced through the report and marked a number of paragraphs which very briefly I wish to place upon the record because they are of interest. But before I do that I wish to repeat that this committee was appointed by the late Drury government—the Farmer-Labour government of the province of Ontario—and this is the report of the committee appointed to deal with this very question. Their report in brief is to the effect that we should give a bounty to develop the iron ore resources of Canada. However, I am going to read some of their observations and recommendations. They say this:

It is with some satisfaction we assert that, though to-day Ontario iron ore requirements are supplied wholly from the United States, that we could, if stern necessity demanded, produce from our own deposits sufficient ore to maintain our own furnaces in blast.

On page 8, the committee say:

The unanimous opinion of this committee is, that our iron and steel industry will suffer severely as the United States lake Superior ore reserves, now being rapidly used, are conserved to a greater and greater extent for American furnaces and that we must, during the next ten years build up an iron mining industry that will largely free Ontario from the necessity of importing ore.

And then on page 19 they say:

This committee believes then that some of the higher grade magnetites (over 50 per cent iron natural) and siderites, such as are found at the New Helen mine, can be produced to-day at a cost approximately equal to their market value, but there is little in the present iron ore mining situation in Ontario that would tend to attract capital. Some new factor must be introduced if we are to get the industry under way in the near future.

I am not quoting passages particularly favourable to my contention; the whole report is along the line I am arguing. The report consists of 175 pages, and I am merely picking out a few passages which give the gist of the whole thing. On page 23, are to be found the recommendations of the committee as follows:

Recommendations

We, the Ontario Iron Ore committee, unanimously recommend and urge:—

(1) That the province of Ontario provide a bounty of one cent per unit of iron, on each long ton of merchantable iron ore, natural or beneficiated, produced and actually marketed from Ontario deposits and that such bounty be available to Ontario producers of merchantable iron ore for a period of ten years.

That in brief is their recommendation, that one cent per unit be granted on each long ton of merchantable iron ore. That is to say that if there is one per cent of iron produced they get a bonus of one cent; if there is fifty per cent of iron produced they get fifty cents; the idea being that when the iron ore is low grade iron and it is beneficiated, or brought up to a certain degree of iron by beneficiating they give a bounty of one cent per unit. Then on page 24, there is another passage I should like to quote, which I thought was particularly applicable to hon. gentlemen to my left because it is a statement by this committee appointed by the Drury government, and it deals with the same question with which I was dealing before dinner. They say regarding bonuses:

Many people believe that any industry that must be bonused or in some way artificially supported, is unnatural and unworthy of that assistance. Yet in devious ways assistance is being given to nearly every industry. Experimental farms are operated by the governments to give guidance to the farmer. Thoroughbred stock is distributed at public expense. To perpetuate fishing, hatcheries are maintained. The credit of the province has been pledged to provide cheap power for the manufacturer. These are but a few of the illustrations that could be used to illustrate the point that bonus or bounty is known under many names.

I shall read three paragraphs more and then conclude. On page 29 the committee give reasons why the Dominion government should help to establish this industry, and I agree entirely with them. The committee say:

Finally, we are of the unanimous opinion that one-half of the bonus recommended should be provided by the Dominion government, and cite the following reasons:—

(1) The active development of our iron ore resources and the enlarging of our steel industry, will be very effective in maintaining a favourable international trade balance.

(2) The colonization of northern Ontario is largely dependent upon the mining industry, and that portion bordering the non-productive sections of our National Railways, is dependent largely upon our iron resources.

(3) Largely increased traffic may be obtained for the National Railways from domestic production of iron ore, and perhaps it would not be unreasonable to suggest that the profit to be made by our publicly owned railway would, in the gross, equal, and in time exceed the proposed Dominion share of the bounty.

Then on page 53:

Deducting the 1920 and 1921 shipments from the lake Superior districts, we can calculate an assured ore reserve of approximately 1,477,000,000 tons, and if the average production from this district is taken at 45,000,000 tons, it is apparent that the positive ore reserves will be exhausted in about thirty-two years. If we include the estimated probable ore reserves, this period is increased 9 p.m.