

If prices remain at or near present levels there will need to be little concern as to the outlook for copper. Certainly the long range outlook points to a much greater consumption, although increases in production in various countries, plus the use of aluminum and other substitutes, might possibly adversely affect the immediate outlook.

By inference I have already touched on the outlook for lead and zinc in my reference to the Paley report and United States consumption. Until about two years ago the post-war demand for both metals had been rising steadily. Since then we have been witnessing what might be described as a levelling-off period, the indications being that world consumption will soon again follow its normal upward course.

I might note that practically all of Canada's producing base metal deposits contain one or more of the precious metals that are recovered as by-products. An excellent example of this is the nickel-copper deposits of the Sudbury area from which the platinum metals are recovered in amounts sufficient to make Canada the largest producer of these metals. Another is Noranda's Horne mine in Quebec, which is an important source of gold as well as of copper. This by-product recovery of precious metals at Noranda, Sudbury, Flin Flon, Trail, and other centres of base metal production places Canada in a very strong competitive position in world markets.

I would like to be able to say that the outlook for our gold industry is bright, but the best I can say at this time is that it is improving. For 22 years ended 1952 gold was the chief single contributor to our mineral output, but it was replaced last year by crude petroleum. However, the production is approximately \$140,000,000 a year. For the past number of years the Canadian Government has been providing cost aid to the gold mines, the amount of this assistance in 1953 being about \$15,000,000. A favourable factor in the outlook is the considerable improvement in labour efficiency. New equipment and new techniques are also bringing greater efficiency. Actually, however, several of the producing gold mines have been showing as much interest in the discovery and development of other minerals as they have in gold prospects. Others have promising-looking prospects on which relatively little work is being done pending an improvement in the conditions affecting the gold industry.

#### Free Enterprise and Government an Indispensable Partnership

From the outset, mineral resources development in Canada, like that in the United States, has operated under the free enterprise system, and like you, we have found that it works well. Governments, both at the federal and provincial levels, give every reasonable encouragement to private initiative in the development of our mineral resources. Like you, we have taxes, of course, but mining and exploration companies are granted various tax concessions by the Federal Government, particularly in reference to exploration and to the early years of production. The provinces have administrative control of the mineral resources within their borders, and in all cases they encourage the development of these resources by private enterprise.