

hematite deposits in New Quebec and Labrador. You have helped to place Canada in a position of great potential importance as a producer of iron ore. I understand that the area of favourable rocks is much larger than that of the far-famed Mesabi range. Already more than 300,000,000 tons have been proven and many times this tonnage will doubtless be disclosed. From an engineering point of view the project is probably the largest ever undertaken in this country. Overall capital expenditures required to bring the deposits into production are estimated at two hundred million dollars, and all but ten million dollars of this will be spent in Canada. To operate on a profitable basis a production of ten million tons a year will be required, the longer range objective being twenty million tons. These figures are indicative of the magnitude and possibilities of the project. We can justifiably foresee the same tremendous benefits accruing to Canada that the United States enjoyed from the development of its iron ore resources.

Iron ore and crude petroleum have been two of the principal gaps in our mineral economy. The former is being bridged and there are now good prospects that the latter will be also. However we are still importing more than 85 per cent of our crude oil requirements, and consumption has been rising rapidly. Our imports of crude oil in 1948 were 77 per cent higher than in 1940 and it is possible that consumption will show a corresponding increase in another eight years.

Great opportunities for industrial expansion on a major scale appear to be opening up in the West. I was tremendously impressed by this during my recent visits to Alberta and to the Yellowknife and surrounding areas.

However, development of mineral resources to full advantage, and more particularly of industrial minerals, is retarded by inadequate market outlets. The answer, in part at least, seems to be more industries based on the use of coal, petroleum, natural gas, salt, sodium, sulphate, clay and clay products, and building stone. If these developments materialize -- and there is increasing evidence that they will -- mining will be a major contributor to Canadian industrial expansion.

We have been steadily increasing our knowledge of the mineral possibilities of the Northwest Territories since 1930 when Gilbert LaBine made his notable discoveries at Great Bear Lake. But we have much more ground to cover. Present areas of active mineral development will provide footholds or bases from which to set out on the mapping, exploration, and development of other areas. For the most part we have only a reconnaissance knowledge of these areas.

Since 1920 we have been among the leading exporters of mine products, principally the non-ferrous base metals, asbestos and gypsum. Our consumption of these and other products is increasing but we are capable of producing much greater quantities of many of these products.

Canada will probably be a main source of world supply for many years to come. It might be of interest to note in this connection that, whereas in 1940 the United States took less than two per cent of our total exports of copper, on a tonnage basis, it took close to 15 per cent in 1948. In the same period the percentage for lead increased from six to 51 and for zinc from one to 51.