

on mineral resources, mining and oil companies, exploration, production, processing, and marketing operations, and on mineral industry legislation and taxation. It carries out economic studies on all phases of the Canadian mineral industry, and also maintains a considerable record on the mineral industries of foreign countries.

In order to keep informed of new developments and advances in the mineral industry, officers of the division carry out carefully planned field inspections covering all important mineral industry operations. This provides not only a first-hand record of mineral industry developments but also a better understanding of mineral problems than would otherwise be possible without personal contact with various industry officials.

The division is responsible for the administration of the Emergency Gold Mining Assistance Act. It maintains staff to carry out the engineering inspection of all gold mines receiving assistance under this act.

Officers of the division act in an advisory capacity on matters dealing with taxation of mining properties and other aspects of mining legislation. Part of this responsibility includes advising the Department of National Revenue in the administration of those sections of the Income Tax Act and income tax regulations applicable to the mineral industry.

Mr. ROBICHAUD: Thank you, Mr. Minister. Mr. Chairman, the minister has mentioned it is part of the duty of this division to give information in respect of marketing operations. Could the chief of this division give us some information as to the general position of the market in respect of base metals, especially zinc and lead?

Dr. BOYER: The chief of this division is Mr. Buck. The Mineral Resources Division is the economics division, we might say, of the department. Mr. Buck might answer any questions put to him on this division.

Mr. W. K. BUCK (*Chief, Mineral Resources Division*): May I answer the first question. The increase in moneys is practically all for payment of staff. Of the \$51,000 about \$41,000 is for salaries; there is only about a \$10,000 increase in operating expenses.

The second question I must admit is somewhat difficult to answer. As you know, the turn-down in the economy in the western world, particularly in the United States and especially in the automotive industry, has meant a very substantial turn down in the consumption of lead, zinc and copper. Certainly the general view is that the present state is improving and that consumption is increasing. However, it is also very true that production is still in excess of armaments in the world has had a great effect on the use of lead, zinc and zinc into the United States affects this country very considerably. There is, of course, no quota on copper.

Mr. NIELSEN: Could you tell me whether your staff has any responsibility in the field of research involving new uses for lead and zinc.

Mr. BUCK: No, sir; we have not.

Mr. NIELSEN: Has any branch of the department been set up for that purpose?

Dr. BOYER: The Mines Branch.

Mr. NIELSEN: Would that be a proper question under this item?

Dr. BOYER: The mines branch has a special vote on this, and it will come up later.

Mr. STEARNS: There is something which has intrigued me for a long time. Do you think it is true in the case of the base metals that the change in armaments in the world has had a great effect on the use of lead, zinc and copper?