

tainable on threshed farm-stored grain, but the legislation contains provisions to cover circumstances when, owing to weather conditions, grain is not harvested. "The Canadian Wheat Board is making the necessary forms available to elevator operators as soon as possible. Affected producers should be able to obtain advances in the next few days," the Minister said.

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their higher levels of income are a direct result of corporate initiative in this country in seeking new lines of endeavour and expanding existing ones. The ability of corporations to expand their operations, with the concomitant increase in job opportunities, is dependent upon a favourable financial position together with a reasonable rate of return for their efforts. The attainment of a financial position which permits expansion of operations in world markets is affected by the competition which each company experiences from within Canada and from foreign-based suppliers.

The Federal Government has recognized the need to make the mineral-resource industry in Canada internationally competitive through income tax incentives. The end result of the incentives has been the expansion of our country's wealth, an expansion of which individual employees have secured an increasing share.

I consider it fundamental that the public understand that mining operators find themselves in a particularly difficult competitive position. Not only are there high risks involved in expenditures on exploration and discovery of mineral deposits but mineral producers must compete with foreign suppliers in an international marketplace where prices are set in the face of international competition.

During the long debate on tax reform, careful consideration was given

to the income tax incentives available to the mining industry. I believe that the compromise which was reached and incorporated in the revised Income Tax Act effective January 1, 1972, is one which is fair and reasonable. The former incentives were reduced and the mining industry will be required to bear its share of the tax burden. But we believe that was done while providing the necessary encouragement for investment in the industry and the maintenance of a competitive position in international mineral markets.

**Need for a nation minerals policy**

In recent years there has been increasing public awareness of the importance and contribution, present and future, of minerals to the long-term development of the nation. Public discussion and, at times, heated debate on minerals policy have intensified. Concern has also increased on how minerals are managed and on the role of governments in the resource management process. For the most part, the debate centres around a single problem: are the collective actions of the public and private sectors conducive to attaining the optimum benefits for Canadians from current and foreseeable uses of minerals?

My Department - Energy, Mines and Resources - being the focus for mineral policy formulation and management in the Federal Government, shares this concern. Its involvement in policy issues on taxation, Northern development, foreign ownership and control, rural adjustment, regional disparities, science policy, environmental control, foreign trade and aid, international relations, and federal-provincial relations accentuate the need for a comprehensive minerals policy. This need becomes more explicit as mineral-producing nations throughout the world rapidly formulate and introduce their mineral-resource legislation with the view of obtaining the optimum long-term benefit to their nationals.

Traditionally we have been inclined to think of Canada's abundant mineral resources as inexhaustible or limitless. But this way of thinking has been subject increasingly to challenge. The world is consuming its mineral resources at an ever-increasing tempo and shortages of many of them are

already foreseen. Minerals are non-renewable resources and the time has come to see that Canada's remaining reserves and resources are husbanded, administered and managed wisely for the greatest benefit of all Canadians. The country is still rich in both known and potential mineral resources. For our maximum benefit over the long term, the careful formulation of enlightened mineral-resource management policies is an urgent need.

The development and use of our mineral resources will be influenced in the coming decade by a host of factors outside Canadian control. Such factors include:

- (a) the growth, dominance and behaviour of multinational corporations;
- (b) the formation of trading blocs;
- (c) the development of resource strategies in supplier and consumer countries;
- (d) world demand and competitiveness in the market areas;
- (e) trade barriers, including tariffs and quotas;
- (f) export incentives through tax rebates and production incentives through a number of methods for processing of resource materials;
- (g) and price movements in controlled markets.

Each factor will have important implications for Canadian mineral development for marketing, for the further processing of minerals before export, and for the retention or regaining of national autonomy and managerial control of our mineral resources. No region, mining community or industry in this country will be immune or unaffected by the impact of these factors. Consequently, every effort should be made to accommodate them within the context of evolving integrated mineral-resource management policies....

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