

REMARKS BY
THE HONOURABLE JAMES A. C. AULD
MINISTER OF NATURAL RESOURCES
GOVERNMENT OF ONTARIO
AT JOINT LUNCHEON OF
THE CANADIAN CLUB OF TORONTO, AND
THE PROSPECTORS AND DEVELOPERS ASSOCIATION
ROYAL YORK HOTEL (CANADIAN ROOM), TORONTO
MONDAY, MARCH 12, 1979 - 12:00 NOON

FOR THE ONTARIO MINISTER OF NATURAL RESOURCES TO BE
INVITED TO OFFER ONTARIO'S IDEAS FOR A NATIONAL MINERAL
POLICY . . . AND TO EXPRESS THEM AT A JOINT MEETING OF
THE CANADIAN CLUB OF TORONTO AND THE PROSPECTORS AND
DEVELOPERS ASSOCIATION . . . IS A HEADY ATTRACTION.
YOU BAIT A TEMPTING LINE, MR. CHAIRMAN.

BUT AN ONTARIO CABINET MINISTER PROVIDING DETAILED
BLUEPRINTS FOR A CANADIAN MINERAL POLICY MIGHT SEEM
SOMETHING LIKE THE GOVERNOR OF THE STATE OF NEVADA
PROPOSING A NATIONAL POLICY ON GAMBLING AND DIVORCE.
EITHER OF US MIGHT BE SUSPECTED OF HAVING SPECIFIC
INTERESTS TO PROMOTE.

THE POINT I'M MAKING, OF COURSE, IS THAT UNDER THE BRITISH NORTH AMERICA ACT, THE OWNERSHIP OF MINERAL RESOURCES IS PROVINCIAL. ANY CANADIAN POLICY MUST THEREFORE HAVE A STRONG PROVINCIAL CONTENT AND TAKE ACCOUNT OF DIVERGENT POLITICAL PHILOSOPHIES. AS A RESULT, TOTAL PROVINCIAL CONCURRENCE ON ANYTHING OTHER THAN BROAD GENERALITIES IS ONLY CERTAIN WHEN THE FEDERAL GOVERNMENT MOVES TO INTRUDE; THE UNANIMOUS PROVINCIAL AGREEMENT WILL BE THAT IT IS TIME FOR FEDERAL INTRUSION TO BE REDUCED, NOT INCREASED.

THIS IS EVIDENT IN THE OBJECTIONS ALL PROVINCES HAVE EXPRESSED TO THE FEDERAL GOVERNMENT'S PROPOSED NEW NUCLEAR CONTROL AND ADMINISTRATION ACT.

BUT A POSITIVE STATEMENT OF MINERAL POLICY THAT WOULD BE EQUALLY ACCEPTABLE TO A PROVINCE WITH A PROGRESSIVE CONSERVATIVE GOVERNMENT LIKE ONTARIO AND TO ONE WITH AN NDP GOVERNMENT LIKE SASKATCHEWAN IS APT TO BE AS BLAND AND NON-CONTROVERSIAL AS A SONG FAVOURING WORLD PEACE. I WAS GOING TO SAY "IN PRAISE OF MOTHERHOOD", BUT IN THESE DAYS OF FAMILY-LIMITATION COUNSELLING, THAT MIGHT BE PRACTICALLY SEDITIOUS BY COMPARISON .

LET ME ILLUSTRATE. AFTER A ROUND OF CONFERENCES ATTENDED BY FEDERAL AND PROVINCIAL MINISTERS RESPONSIBLE FOR MINERAL POLICY, THE ALL-CANADIAN GOAL WAS DEFINED IN 1973 AS BEING "TO OBTAIN OPTIMUM BENEFIT FOR CANADA FROM THE PRESENT AND FUTURE USE OF MINERALS." NOBODY IS GOING TO QUARREL WITH THAT.

FURTHERMORE, A STRATEGY WAS DRAWN UP FOR SCORING THAT GOAL. TWELVE COMPLEMENTARY AND INTERRELATED MINERAL POLICY OBJECTIVES WERE SPECIFICALLY PROPOSED FOR THAT PURPOSE.

THESE OBJECTIVES WERE TO:

- FOSTER A VIABLE MINERAL SECTOR;
- STRENGTHEN THE CONTRIBUTION OF MINERALS TO REGIONAL AND NATIONAL DEVELOPMENT;
- ENSURE MINERAL SUPPLIES FOR NATIONAL NEEDS;
- INCREASE THE RETURN TO CANADIANS FROM EXPORTABLE MINERAL SURPLUSES;
- REALIZE OPPORTUNITIES FOR FURTHER MINERAL PROCESSING;
- IMPROVE MINERAL CONSERVATION AND USE;
- HARMONIZE MULTIPLE RESOURCE DEVELOPMENT;
- ENSURE NATIONAL SELF-DETERMINATION IN MINERAL DEVELOPMENT;
- CONTRIBUTE TO ORDERLY WORLD DEVELOPMENT AND MARKETING;
- STRENGTHEN THE KNOWLEDGE-BASE FOR NATIONAL DECISION-MAKING;

- RELATE MINERAL DEVELOPMENT TO SOCIAL NEEDS;
- MINIMIZE ADVERSE EFFECTS OF MINERAL DEVELOPMENT ON THE ENVIRONMENT.

UNDENIABLY, THESE ARE GREAT EXPRESSIONS OF GENERAL GOOD INTENTIONS, AND IT'S EASY TO SEE WHY AGREEMENT COULD BE REACHED ON THEM. IF THIS IS WHAT YOU MEAN BY A CANADIAN MINERAL POLICY, I CAN SAY NOW THAT ONTARIO SUPPORTS IT, SIT DOWN, AND CONSIDER MY LUNCH EASILY EARNED.

BUT IF YOU WANT SOMETHING MORE THAN THAT, IT HAS TO BE REALIZED THAT NO SINGLE DETAILED CANADIAN MINERAL POLICY EXISTS, AND--AS THE PROLONGED EFFORTS OF THE EARLY 1970s SHOWED--NONE IS LIKELY TO BE FOUND. INDIVIDUAL PROVINCES WILL APPROACH THEIR MINERAL POLICY OBJECTIVES ALONG THE PATHS DETERMINED BY LOCAL CIRCUMSTANCES AND BY THEIR GOVERNMENT'S POLITICAL PHILOSOPHIES.

THAT BEING SO, I PROPOSE TO TELL YOU SOMETHING ABOUT THE POLICIES WE SEE AS APPROPRIATE FOR ONTARIO. IN MOST RESPECTS, THE MAJORITY OF PROVINCES HOLD THE SAME VIEWS.

AND I CAN ADD THE HOPE THAT IN DUE COURSE THE REMAINDER WILL COME TO SEE THE SAME LIGHT . . . AND APPRECIATE THE REALISM ITS TORY BLUENESS SHEDS. BUT FOR NOW, I'LL CONFINE MY REMARKS TO OUR HOME FRONT.

NOBODY IS GOING TO DISPUTE THAT TWO BASIC REQUIREMENTS MUST BE MET BY ANY GOVERNMENT POLICY AIMED AT MAINTAINING AND IMPROVING THE LIVING STANDARDS OF OUR PEOPLE IN THESE DIFFICULT TIMES. THE FIRST IS THAT IT MUST GIVE AN INCENTIVE TO THE PRODUCERS OF NEW WEALTH. THE SECOND IS THAT IT MUST ENCOURAGE THE DIRECTION OF EFFORT INTO AREAS WHERE CANADIANS EXCEL, AND CAN HOLD THEIR OWN IN A VERY COMPETITIVE WORLD.

THE MINING INDUSTRY SATISFIES BOTH THESE CRITERIA. WITH RAW MATERIAL PROVIDED BY LESS THAN ONE PERCENT OF THE TOTAL LABOUR FORCE, METALLIC MINERAL PRODUCTS ACCOUNT FOR MORE THAN 20 PERCENT OF THE VALUE OF ALL ONTARIO EXPORTS; FURTHERMORE, ONTARIO MINERS AND MINE-FINDERS ARE AS GOOD AS ANY IN THE WORLD--AND BETTER THAN MOST.

I HAVE HEARD IT SUGGESTED THAT SINCE MINING IN ONTARIO IS RESPONSIBLE FOR ONLY THREE OR FOUR PERCENT OF THE GROSS PROVINCIAL PRODUCT, IT WOULD BE NO GREAT TRAGEDY IF THE INDUSTRY WERE ALLOWED TO DECLINE. THAT'S USUALLY ADVANCED BY PEOPLE WHO ARGUE WE SHOULD BE CONCENTRATING ON INCENTIVES FOR THE MANUFACTURE OF HIGH TECHNOLOGY EQUIPMENT.

THE ANSWER I MAKE IS THAT THE STANDARD OF LIVING, WHETHER IT'S A PROVINCE OR A COUNTRY, DEPENDS ON PRODUCTIVITY PER WORKER--AND THIS IS WHERE MINING UNQUESTIONABLY LEADS. IN TRADE, WHAT COUNTS IS THE RELATIONSHIP OF ITS EXPORTS TO ITS IMPORTS, AND IN THIS RESPECT MINING IS NOT ONLY IMPORTANT BUT IRREPLACEABLE. GROSS PROVINCIAL PRODUCT FIGURES INCLUDE THE MANY GOODS AND SERVICES WE SUPPLY TO EACH OTHER; THEY ARE NOT A TRUE MEASURE OF NEW WEALTH BEING PRODUCED.

IF WE LET MINING DECLINE, WHAT WOULD REPLACE IT AS AN EARNER OF EXPORT DOLLARS? CAN WE SELL ONTARIO AUTOMOBILES COMPETITIVELY IN EUROPE?... OR TAPE RECORDERS IN JAPAN? . . . OR TV SETS IN THE UNITED STATES?

BY ALL MEANS, LET US ENCOURAGE HIGH TECHNOLOGY DEVELOPMENT IN AREAS WHERE WE MAY BE ABLE TO COMPETE, SUCH AS GEOPHYSICAL EQUIPMENT AND SERVICES, SHORT-TAKE-OFF-AND-LANDING AIRCRAFT, OR NUCLEAR REACTORS.

BUT LET'S NOT IMAGINE THEY COULD HOLD THE ANSWER TO ALL OUR PROBLEMS, OR EVEN ANY SUBSTANTIAL PART. WE DO NEED THESE DEVELOPMENTS--BUT IN ADDITION TO MINING . . . NOT INSTEAD OF IT.

LET ME SAY AT THIS POINT THAT THE ONTARIO GOVERNMENT IS NOT CONCERNED WITH PRODUCTION AT THE EXPENSE OF ALL OTHER CONSIDERATIONS. NO MODERN GOVERNMENT SUPPORTS, OR SHOULD SUPPORT, THE NOTION THAT PRODUCTION IS THE SOLE CRITERION OF SUCCESS, OR THAT PROTECTION OF THE PEOPLE AGAINST THE THREAT OF GRINDING POVERTY, OR PROTECTION OF THE ENVIRONMENT, CAN BE CONSIDERED OF RELATIVELY SMALL IMPORTANCE.

WE RECOGNIZE THOSE NEEDS. BUT WE DO NOT LOSE SIGHT OF THE FACT THAT WITHOUT EFFICIENT PRODUCTION THERE CAN BE NO WEALTH TO REDISTRIBUTE, EVEN TO THE MOST UNFORTUNATE OF OUR FELLOW-BEINGS.

THAT SAID, AND HAVING GIVEN YOU THE PARAMOUNT REASONS WHY MINING IN ONTARIO MUST NOT BE ALLOWED TO DECLINE, I'LL TELL YOU THE STEPS THE ONTARIO GOVERNMENT IS TAKING TO SUPPORT IT.

IT WOULD BE PROPER TO ASK AT THIS POINT HOW MUCH A GOVERNMENT CAN, AND SHOULD, DO, SO I'LL DEAL WITH THAT FIRST. AS TO HOW MUCH GOVERNMENT CAN DO, WE ALL KNOW THAT WORLD METAL MARKETS ARE OUTSIDE THE CONTROL OF THE GOVERNMENT OF ONTARIO, AND OF THE GOVERNMENT OF CANADA. CLEARLY, THIS SEVERELY LIMITS WHAT GOVERNMENT CAN DO.

AS TO HOW MUCH GOVERNMENT SHOULD DO, AND IN WHAT WAYS IT SHOULD DO IT, DIFFERENT GOVERNMENTS WILL GIVE DIFFERENT ANSWERS. THE GOVERNMENT OF ONTARIO IS COMMITTED WHOLEHEARTEDLY TO THE PHILOSOPHY OF FREE ENTERPRISE. IT BELIEVES IT CAN DO MOST GOOD FOR THE PEOPLE OF ONTARIO BY ENSURING A CLIMATE IN WHICH INDIVIDUAL ENTERPRISE AND INITIATIVE CAN FLOURISH.

IT BELIEVES GOVERNMENT INTERVENTION IS NECESSARY ONLY TO THE EXTENT TO WHICH REGULATION IS REQUIRED FOR ORDERLY PROGRESS, OR TO PREVENT ABUSE, OR WHERE IT IS CLEARLY PLACED TO DO A BETTER JOB THAN THE PRIVATE SECTOR, OR TO PROVIDE AN ESSENTIAL, BUT OTHERWISE UNAVAILABLE, SERVICE.

THERE IS MUCH, HOWEVER, THAT GOVERNMENT CAN DO WITHOUT DIRECT INTERVENTION. IF IT IS AGREED THAT A HEALTHY MINING INDUSTRY IS VITAL FOR ONTARIO, AND THAT THE FREE ENTERPRISE SYSTEM IS MOST EFFICIENT IN FACILITATING ITS GROWTH, AND LEAST LIABLE TO REDUCE OUR PERSONAL FREEDOMS, IT MUST THEN FOLLOW THAT INVESTMENT IN ONTARIO MINING MUST BE MADE ATTRACTIVE TO PRIVATE CAPITAL. ELEMENTARY ENOUGH, OF COURSE, BUT FOR A NUMBER OF YEARS IT HAS NOT BEEN ATTRACTIVE TO CANADIAN INVESTORS OR TO FOREIGN CAPITAL.

THE AVERAGE INVESTOR, INDEED, HAS BEEN RECEIVING A LOWER RATE OF RETURN THAN HIS ARMCHAIR CRITIC WHO TAKES NO RISKS, AND PUTS HIS MONEY INTO SAVINGS BONDS.

SO I MUST EMPHASIZE THAT EXISTING GOVERNMENT SUPPORT FOR THE MINING INDUSTRY, AND ANY INCREASED SUPPORT ON SIMILAR LINES, WILL BE LARGELY INEFFECTIVE UNLESS MINING INVESTMENT IS MADE MORE ATTRACTIVE, BY OFFERING THE POSSIBILITY OF MUCH LARGER AFTER-TAX RETURNS TO INDIVIDUAL INVESTORS.

AND I'D ADD SOMETHING TO THAT. IF CANADIAN OWNERSHIP OF THE CANADIAN MINING INDUSTRY IS TO BE ONE OF OUR AIMS, ORDINARY CANADIANS MUST BE GIVEN THE INCENTIVE TO INVEST. A FAVORABLE INVESTMENT CLIMATE OUGHT TO BE A MATTER OF PERSONAL CONCERN TO A MUCH WIDER GROUP THAN BANKERS AND MINING COMPANY FINANCIAL PLANNERS.

I ACKNOWLEDGED THE OBVIOUS A LITTLE EARLIER WHEN I NOTED THAT NEITHER OUR FEDERAL NOR OUR PROVINCIAL GOVERNMENTS COULD CONTROL PRICES ON THE INTERNATIONAL METAL MARKET. EQUALLY OBVIOUSLY, THE LEVEL OF THOSE PRICES IS A MAJOR FACTOR DETERMINING THE MAXIMUM RATE OF RETURN POSSIBLE FOR THE INVESTOR.

AND I DON'T SUPPOSE MANY PEOPLE AT A GATHERING LIKE THIS NEED TO BE TOLD THAT, WITH A FEW NOTABLE EXCEPTIONS SUCH AS URANIUM, THESE PRICES HAVE BEEN DEPRESSED FOR NEARLY FOUR YEARS. AFTER ALL, WE AREN'T THE ONLY JURISDICTION WITH MINERALS.

AT LAST, HOWEVER, THERE ARE SIGNS OF A TURNING TIDE, A GOOD BASIS FOR OPTIMISM AND FOR FURTHER IMPROVEMENT IN 1979. THE FLUCTUATING CHARACTERISTICS OF THE METAL MARKETS ARE WELL KNOWN. INDUSTRY HAS ACCEPTED THE NEED TO TRY TO LIVE WITH THEM. IN GENERAL, THIS HAS BEEN BY RELYING ON HIGH PROFITS IN THE GOOD YEARS TO CARRY THEM THROUGH THE LEAN AND UNPROFITABLE YEARS.

WE HAVE STUDIED THE FEASIBILITY OF WAYS TO MINIMIZE THIS BOOM-AND-BUST EFFECT. HOWEVER, ALTHOUGH WE BELIEVE THERE IS ROOM FOR MUCH IMPROVEMENT IN THE ART OF ANTICIPATING THESE SWINGS, WE HAVE AS YET NO PRACTICAL SOLUTION TO PUT FORWARD.

ONE AREA OPEN TO GOVERNMENT ACTION IS THAT OF TAXATION AND SOME PROGRESS HAS BEEN MADE IN THE PAST YEAR. WE MADE SOME ADJUSTMENTS IN THE AREA OF ONTARIO'S MINING TAXES. AND FEDERAL-PROVINCIAL CONFERENCES HAVE CONSIDERED THE CO-ORDINATION OF TAXATION POLICIES, AND CERTAIN BASIC REQUIREMENTS HAVE BEEN IDENTIFIED. I'LL NAME THEM:

- STABILITY AND, THEREFORE, LESS UNCERTAINTY IN THE TAX SYSTEM;
- RECOGNITION IN THE TAX SYSTEM OF THE CYCLICAL NATURE OF THE RESOURCE INDUSTRY;
- AN ACCEPTABLE LEVEL OF TAX IN ORDER TO ACHIEVE AN ADEQUATE LEVEL OF CAPITAL INVESTMENT, GROWTH AND DEVELOPMENT;
- APPROPRIATE SHARING OF PROVINCIAL AND FEDERAL REVENUES;
- GREATER HARMONY AND LESS COMPLEXITY IN TAX SYSTEMS;
- ENCOURAGEMENT OF FURTHER PROCESSING IN CANADA.

SOME OF YOU MAY FEEL THAT LIST INDICATES THAT MOTHERHOOD STATEMENTS ARE BACK IN FASHION. OTHERS, THOUGH, WILL KNOW THAT IT IS CONFIRMATION THAT GOVERNMENT PERCEPTIONS OF INDUSTRIAL PROBLEMS ARE MUCH CLEARER THAN PREVIOUSLY, AND THAT REAL PROGRESS IS BEING MADE.

SIGNIFICANT STEPS IN THE RIGHT DIRECTION WERE TAKEN IN BOTH THE LAST FEDERAL AND THE LAST ONTARIO BUDGETS. FEDERAL-PROVINCIAL DISCUSSIONS WILL CONTINUE.

IN SHORT, THE ENERGETIC PURSUIT OF THE BEST SOLUTION TO THE TAXATION PROBLEMS OF THE MINING INDUSTRY IS AN ESSENTIAL PART OF THE ONTARIO GOVERNMENT'S MINERAL POLICY. BUT COST-CUTTING THROUGH POLICY MODIFICATION IN FIELDS OTHER THAN TAXATION STILL HAS TO BE PERCEIVED AS ONE OF THE MAJOR MEANS OF RE-SHARPENING THE INDUSTRY'S COMPETITIVE EDGE.

OUR POLICY LEANS TO THE PROVISION OF SUPPORT IN WAYS OTHER THAN DIRECT INVOLVEMENT. MILLIONS OF DOLLARS IN PROVINCIAL FUNDS ARE SPENT EACH YEAR IN ACTIVITIES LIKE:

- GEOLOGICAL MAPPING AND RESEARCH WHICH CONSIDERABLY REDUCE INDUSTRY EXPLORATION COSTS BY PROVIDING BASIC DATA;
- GRANTS TO COMPANIES EXPLORING IN DESIGNATED AREAS UNDER OUR MINERAL EXPLORATION ASSISTANCE PROGRAM;
- TAX INCENTIVES TO ENCOURAGE THE ESTABLISHMENT OF MORE PROCESSING PLANTS IN ONTARIO;
- ROAD CONSTRUCTION TO NEW MINING AREAS;

- ASSISTANCE TOWARD PROVIDING SERVICES IN NEW MINING COMMUNITIES; AND

- TECHNICAL ADVICE PROVIDED BY THE PROFESSIONAL STAFF OF THE ONTARIO MINISTRY OF NATURAL RESOURCES AND OTHER PROVINCIAL MINISTRIES.

OVER THE MANY YEARS THESE ACTIVITIES HAVE BEEN MAINTAINED AND ENHANCED, THEY HAVE GIVEN ONTARIO A TECHNICAL-SUPPORT ABILITY SECOND TO NONE. A RELATIVELY RECENT ADDITION WAS THE FIVE-YEAR ONTARIO GEOSCIENCE RESEARCH FUND. IN THE CURRENT FISCAL YEAR, THIS HAS MADE \$400,000 AVAILABLE FOR APPLIED RESEARCH AT ONTARIO UNIVERSITIES, AIMED LARGELY AT FACILITATING THE SCIENCE ASPECTS OF MINERAL EXPLORATION.

OTHER EXPRESSIONS OF ONTARIO MINERAL POLICY CURRENTLY UNDER WAY INCLUDE SEVERAL SUPPLEMENTARY GEOSCIENCE PROGRAMS. ONE EXAMPLE IS THE THREE-YEAR \$2.5 MILLION GEOLOGICAL SURVEY PROGRAM WHICH IS NOW BEING COMPLETED. ANOTHER IS THE NEW SIX-YEAR NORTHERN ONTARIO GEOLOGICAL SURVEY PROGRAM, THE FIRST PHASE OF WHICH WAS LAUNCHED LAST YEAR AT A COST OF \$750,000.

BOTH OF THESE ARE COMPREHENSIVE PROGRAMS. THEY INCLUDE GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL SURVEYS . . . MINERAL DEPOSIT STUDIES . . . ENGINEERING TERRAIN EVALUATION . . . AGGREGATE RESOURCE STUDIES . . . AND DATA MANAGEMENT. BOTH OF THESE PROGRAMS, WHICH HAVE THE PURPOSE OF ENCOURAGING MINERAL EXPLORATION AND DEVELOPMENT THROUGHOUT NORTHERN ONTARIO BY THE PRIVATE SECTOR, ARE BEING CONDUCTED BY THE ONTARIO GEOLOGICAL SURVEY OF MY MINISTRY. THEY ARE FUNDED BY THE ONTARIO MINISTRY OF NORTHERN AFFAIRS.

EFFORTS ON A REGIONAL SCALE INCLUDE A FOUR -YEAR \$500,000 PEMBROKE-RENFREW INCENTIVE PROGRAM, AND A FIVE-YEAR \$2.3 MILLION KIRKLAND LAKE INCENTIVE PROGRAM. HERE AGAIN, BOTH ARE COMPREHENSIVE PROGRAMS OF GEOLOGICAL SURVEYS AND RESEARCH, BUT THEY HAVE THE ADDITIONAL SPECIFIC OBJECTIVE OF STIMULATING THE REGIONAL ECONOMY BY ENCOURAGING MINERAL EXPLORATION AND DEVELOPMENT IN THOSE PARTICULAR AREAS.

AND, SINCE IT PROVIDES EVIDENCE OF OTTAWA'S HEIGHTENED RECOGNITION OF THE IMPORTANCE OF THE MINING INDUSTRY, I'D ASK YOU TO NOTE THAT BOTH THESE INCENTIVE PROGRAMS ARE JOINTLY FUNDED BY ONTARIO AND THE FEDERAL DEPARTMENT OF REGIONAL ECONOMIC EXPANSION.

I SAID EARLIER THAT WE BELIEVE ONLY A NARROW BAND OF CIRCUMSTANCES PROVIDES OCCASION FOR DIRECT GOVERNMENT INTERVENTION, INCLUDING THOSE WHERE GOVERNMENT IS CLEARLY PLACED TO DO A BETTER JOB THAN THE PRIVATE SECTOR, OR TO RENDER AN ESSENTIAL AND URGENT SERVICE THAT CANNOT BE IMMEDIATELY PROVIDED IN ANY OTHER WAY.

IN A FEW INSTANCES, THE GOVERNMENT HAS TAKEN A DIRECT PART IN MINERAL DEVELOPMENTS THROUGH ONE OF ITS CROWN CORPORATIONS. A NOTABLE EXAMPLE IS THE SYNCRUDE PROJECT WHERE THROUGH THE ONTARIO ENERGY CORPORATION, THIS PROVINCE, IN CONJUNCTION WITH THE GOVERNMENT OF ALBERTA AND THE FEDERAL GOVERNMENT, ACTED DECISIVELY AND PROMPTLY WITH INDUSTRY TO KEEP THE PROJECT IN BEING AND ASSURE ITS SUCCESS.

AND IT IS A SUCCESS. SYNCRUDE IS PRODUCING OIL FOR CANADIAN NEEDS. WITH ITS MISSION DULY ACCOMPLISHED, ONTARIO HAS SOLD OUT ITS SHARES, AT A PROFIT. THE FUNDS WILL BE TURNED TO OTHER SUCH UNDERTAKINGS.

IN THE SAME WAY, ONTARIO HYDRO IS ENGAGED IN SEVERAL URANIUM EXPLORATION JOINT-VENTURES WITH PRIVATE INDUSTRY. IT'S ALSO TAKING PART, WITH INDUSTRY, IN THE FEASIBILITY-STUDY OF A POSSIBLE ELECTRICITY GENERATING STATION AT ONAKAWANA, WHICH WOULD ENTAIL DEVELOPMENT OF A MAJOR LIGNITE DEPOSIT.

THESE ARE EXAMPLES OF THE EXCEPTIONS WE RECOGNIZE. I REPEAT, HOWEVER, THAT, IN GENERAL, ONTARIO DOES NOT FAVOUR DIRECT GOVERNMENT INVOLVEMENT IN MINERAL EXPLORATION AND DEVELOPMENT. FURTHERMORE, WHERE INVOLVEMENT IS THOUGHT NECESSARY, ONTARIO CROWN CORPORATIONS ARE GIVEN NO SPECIAL ADVANTAGES OVER THEIR OPPOSITE NUMBERS IN THE PRIVATE SECTOR.

SINCE I HAVE JUST MENTIONED THE ACTIVITY GOING ON AT ONAKAWANA AND LIGNITE IN THAT AREA, THIS IS AN OPPORTUNE TIME TO MAKE AN ANNOUNCEMENT ABOUT OTHER MINERAL EXPLORATION PROSPECTS IN THE JAMES BAY LOWLANDS.

MY MINISTRY IS RE-OPENING TO MINERAL EXPLORATION MORE THAN 3.75 MILLION ACRES IN THE LOWLANDS, ABOUT 120 KILOMETRES (OR 75 MILES) NORTH OF TIMMINS. THE ONTARIO GEOLOGICAL SURVEY, WHICH CO-ORDINATES THE GEOLOGICAL EXPERTISE IN MY MINISTRY, HAS IDENTIFIED NEW OPPORTUNITIES FOR MINERAL DEVELOPMENT IN THAT AREA. WE ARE OPTIMISTIC THAT INTENSIVE EXPLORATION IN THE CRETACEOUS BASIN NORTH AND SOUTH OF THE MISSINAIBI RIVER WILL PRODUCE NOT ONLY ADDITIONAL LIGNITE FINDS BUT OTHER SIGNIFICANT MINERAL DEPOSITS.

IT IS ALSO IMPORTANT TO SAY THAT NO EXPLORATION WILL BE PERMITTED IN THE MISSINAIBI WILD RIVER PARK RESERVE ALONG A 400-FOOT-DEEP SECTION OF THE CRETACEOUS BASIN. WE HAVE MADE A PUBLIC COMMITMENT TO PRESERVE IN THEIR NATURAL STATE THE WILD WATERS OF THE MISSINAIBI AND ITS IMMEDIATELY ADJOINING LANDS.

APPROXIMATELY 2.6 MILLION ACRES NORTH OF THE MISSINAIBI WILL BE OPENED FOR NORMAL MINING EXPLORATION ACTIVITIES ON APRIL 1ST. AS FOR THE AREA SOUTH OF THE RIVER, ANOTHER 1.15 MILLION ACRES WILL BE OPENED FOR EXPLORATION ON A TENDERING BASIS. DETAILS FOR THAT PROCEDURE ARE BEING WORKED OUT BY MY STAFF. WE EXPECT THAT TENDERS WILL BE CALLED AROUND THE MIDDLE OF JUNE.

THE AREA INVOLVED, THE CRETACEOUS BASIN, IN THE JAMES BAY LOWLANDS WAS WITHDRAWN FROM MINERAL EXPLORATION IN 1975 SO THAT OUR GEOLOGISTS COULD EXAMINE THE AREA FOR ITS ENERGY-PRODUCING POTENTIAL. IT IS THE SAME AREA WHERE THE ONAKAWANA LIGNITE DEVELOPMENT IS UNDERWAY.

FOR THOSE DIRECTLY INTERESTED, A NEWS RELEASE GIVING FURTHER DETAILS HAS JUST BEEN SENT OUT, AND THE COCHRANE OFFICE OF MY MINISTRY WILL BE CO-ORDINATING THE PROGRAM.

SO FAR I HAVE DEALT WITH THE ONTARIO GOVERNMENT'S POLICY RELATED TO THE MINERAL INDUSTRY IN THREE IMPORTANT RESPECTS--TAXATION, THE PROVISION OF THE GEOSCIENCE SERVICES AND INFRASTRUCTURE, AND DIRECT PARTICIPATION. A FOURTH SUBJECT UNDER STUDY IS WHAT HAS COME TO BE TERMED "DEREGULATION."

WE BELIEVE THAT, IN ATTEMPTING TO ACHIEVE LAUDABLE OBJECTIVES, MANY OF OUR MINISTRIES AND AGENCIES HAVE IMPOSED UNNECESSARY RESTRAINTS ON INDUSTRIAL ACTIVITY. INDIVIDUALLY, SOME OF THEM MAY NOT APPEAR ONEROUS, BUT CUMULATIVELY THEY DEFINITELY ARE ONEROUS.

THIS HAS LED US TO COMMISSION A STUDY TO IDENTIFY REGULATIONS, BOTH FEDERAL AND PROVINCIAL, WHICH MAY ADVERSELY AFFECT A COMPANY DEVELOPING A NEW MINE IN ONTARIO. IT IS DEFINITELY A RED-TAPE-CUTTING EXERCISE.

INCIDENTALLY, I SHOULD ACKNOWLEDGE THE BASIC IDEA DID NOT ORIGINATE WITH US. A MAJOR RESOURCE COMPANY WHICH WAS CONSIDERING DEVELOPMENT IN ONTARIO HAD SUCH A STUDY PREPARED FOR ITS OWN USE. WHEN WE SAW IT, WE THOUGHT THE CONCEPT SHOULD BE EXPANDED TO HELP US ALL IN PLANNING AND SCHEDULING THE DEVELOPMENT OF MINERAL DEPOSITS IN ONTARIO.

THERE IS ALSO A NEED FOR A GREATER SENSE OF ACCOUNTABILITY IN THE VARIOUS POLICY-MAKING UNITS OF GOVERNMENT. WE NEED TO ASSESS THE EFFECTS OF POLICIES OF ONE UNIT ON THE RESPONSIBILITIES OF OTHERS. FOR EXAMPLE, ON THE ONE HAND, MINERAL POLICY SHOULD CONSIDER ENVIRONMENTAL SIDE-EFFECTS; ON THE OTHER, ENVIRONMENTAL POLICY SHOULD CONSIDER ECONOMIC PRACTICABILITY. THE DEREGULATION STUDY SHOULD MAKE EVERYONE FOCUS MORE SHARPLY ON THE LARGER PICTURE.

ALTHOUGH IT WILL BE OF LIMITED CONCERN TO SOME OF YOU, I SHOULD LIKE TO MENTION THAT WE ARE WELL ADVANCED IN THE PREPARATION OF A NEW MINING LANDS ACT.

AMPLE TIME WILL BE GIVEN THE INDUSTRY TO REVIEW THE PROPOSED CHANGES, AND TO SUBMIT THEIR COMMENTS AND RECOMMENDATIONS. YOUR RESPONSES WILL RECEIVE FULL CONSIDERATION BEFORE THE PROPOSED LEGISLATION GOES TO CABINET.

A THIRD MATTER IN THE AREA OF REGULATION, WHICH WILL BE OF SPECIAL INTEREST TO THE PROSPECTORS AND DEVELOPERS ASSOCIATION, RELATES TO THE ONTARIO SECURITIES COMMISSION AND JUNIOR MINING COMPANIES. TWO STUDIES OF JUNIOR MINING ACTIVITY IN ONTARIO HAVE BEEN MADE IN THE PAST YEAR, AND THE REPORTS PUBLISHED. INDUSTRY INTEREST IN A COMPUTERIZED JUNIOR MINING STOCK EXCHANGE APPEARS TO BE STRONG, AND SOME INITIAL PROPOSALS HAVE ALREADY BEEN MADE TO THE MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS.

AS BECOMES A FREE ENTERPRISE PROVINCE, WE LOOK TO INDUSTRY TO TAKE THE LEAD IN THIS MATTER. BUT WE WOULD CERTAINLY CONSIDER ACTIVELY SUPPORTING A DETAILED PROPOSAL.

HOWEVER, WITHOUT THRIVING PRODUCING MINES PRODUCING GOOD AFTER-TAX RETURNS ON INVESTMENT, LESS REGULATION AND BETTER TRADING FACILITIES FOR MINING EXPLORATION COMPANIES WILL NOT OF THEMSELVES BE OF MUCH USE. AND BY A GOOD AFTER-TAX RETURN I MEAN A RETURN COMPARABLE TO THAT WHICH A PRUDENT INVESTOR COULD REASONABLY ANTICIPATE IN A COMPETITIVE WORLDWIDE CAPITAL MARKET.

THE EXPECTATION OF AN ADEQUATE RETURN IS THE FUEL THAT POWERS THE MINING INVESTMENT ENGINE, JUST AS IT FUELS ANY OTHER INVESTMENT OPPORTUNITY. WITHOUT FUEL, YOU WON'T GET MUCH OUT OF THE ENGINE JUST BY LUBRICATING THE BEARINGS.

I THINK IT IS FAIR TO SAY THAT YOU AND I UNDERSTAND THESE AS FACTS OF LIFE. BUT A RECENT PUBLIC AWARENESS SURVEY COMMISSIONED BY MY MINISTRY CLEARLY SHOWED THAT WE HAVE A VERY LONG WAY TO GO IN PRESENTING A REALISTIC PICTURE TO THE GENERAL PUBLIC.

THOSE INTERVIEWED FOR THE SURVEY WERE ASKED TO COMPARE FIVE INDUSTRIES--MINING, AUTOMOBILE MANUFACTURING, APPLIANCE MANUFACTURING, FORESTRY, AND TRANSPORTATION. MINING WAS CONSIDERED FOURTH IN ORDER OF IMPORTANCE TO THE ECONOMY OF ONTARIO, JUST AHEAD OF APPLIANCE MANUFACTURING BUT BEHIND THE OTHERS. FORTY PERCENT OF THOSE INTERVIEWED BELIEVED MINING PROFITS WERE CURRENTLY "HIGH" OR "VERY HIGH". MINING WAS CONSIDERED THE MOST UNDESIRABLE FOR EMPLOYMENT AND ALSO RECEIVED A PARTICULARLY LOW RATING WHEN THE ENVIRONMENTAL IMPACT OF THE FIVE INDUSTRIES WAS COMPARED.

MINING AND FORESTRY WERE BELIEVED TO HAVE LOWER TAXATION LEVELS THAN THE OTHER INDUSTRIES, ALTHOUGH THERE WAS A CONSIDERABLE LACK OF KNOWLEDGE ABOUT THE AMOUNT OF TAXES ACTUALLY PAID. AWARENESS OF EVENTS IN THE MINING INDUSTRY RELATED MOSTLY TO STRIKES, LAYOFFS, POLLUTION AND HEALTH HAZARDS.

ONLY ONE PERSON IN EIGHT CLAIMED TO BE AWARE OF GOVERNMENT PROGRAMS WHICH EITHER CONTROL OR ENCOURAGE MINING. IN NEARLY ALL OF THE PERCEPTIONS OF THE INDUSTRY AND OF ITS PLACE AND IMPORTANCE, THE BULK OF THOSE INTERVIEWED WERE WHOLLY OR SUBSTANTIALLY WRONG.

I REPEAT: WE HAVE A MIGHTY LONG WAY TO GO IN IMPROVING OUR COMMUNICATION WITH THE PEOPLE OF OUR OWN PROVINCE.

ON THE MORE OPTIMISTIC SIDE, THE SURVEY ALSO INDICATED A WIDESPREAD BELIEF THAT VAST QUANTITIES OF UNDISCOVERED MINERAL WEALTH STILL EXIST IN ONTARIO. OVERALL OPINION ALSO SEEMED TO SUPPORT THE IDEA OF FURTHER DEVELOPMENT OF THE MINERAL INDUSTRY, AND THAT EXCESSIVE TAXATION AND OVER-REGULATION MAY PREVENT SUCH DEVELOPMENT.

IN CASE ANY HARD-NOSED MINER AMONG YOU THINKS THESE FINDINGS ARE OF ONLY ACADEMIC INTEREST, LET ME REMIND YOU THAT WE REALLY DO LIVE IN A DEMOCRATIC COUNTRY. GOVERNMENTS CAN GO ONLY AS FAR, AND AS FAST, AS PUBLIC OPINION PERMITS. AS LONG AS PUBLIC UNDERSTANDING OF THE FACTS IS INADEQUATE, GOVERNMENTS CANNOT PURSUE ADEQUATE LONG-TERM POLICIES.

THE IMPORTANCE OF PUBLIC ATTITUDE AND UNDERSTANDING IS, THEREFORE, DIRECTLY CONNECTED WITH THE ULTIMATE SUCCESS OF THE MAIN ASPECTS OF THE ONTARIO MINERAL POLICY I HAVE BEEN SPEAKING OF TODAY.

I GREATLY APPRECIATE THE OPPORTUNITY YOU HAVE GIVEN ME TO OUTLINE ONTARIO'S MINERAL POLICY TO YOU. I AM GLAD IT COMES AT A TIME WHEN PROSPECTS FOR MINING AND MINERAL EXPLORATION SEEM BRIGHTER THAN THEY HAVE BEEN FOR SEVERAL YEARS. I HOPE WE CAN TAKE FULL ADVANTAGE OF THOSE PROSPECTS.