

first half of 1980 but fell to 45% of capacity at the end of 1982. Employment declined 27% by December 1982. Production of crude steel declined from 15.85 million tonnes in 1979 to 11.76 million tonnes in 1982.

Spending on construction and equipment totalled \$2.1 billion during the period. Most steel companies modernized their facilities and expanded production capacity. A significant part of capital expenditure was for a new integrated steel complex near Nanticoke, Ont., built at a cost of \$1.2 billion; production of crude steel began in June 1980. Electric furnace based mini- and market-mills in Ontario and Western Canada completed major expansion and modernization projects during these four years.

The low value of the Canadian dollar relative to the US dollar stimulated the export of Canadian steel products to the United States, a market accounting for 70% to 80% of Canadian steel exports. Exports normally account for about 20% of Canadian producer shipments.

Declining demand for Canadian steel was directly related to world economic conditions and in part to an excess supply of steel on world markets. Canadian prices fell as a result of weak demand and the availability of low-priced imports.

Canada was not alone in this situation. Exports of steel to North America increased significantly, prompting North American producers to initiate investigations into suspected dumping and subsidization practices. Many findings of these investigations were positive and resulted in the imposition of additional duties or import quotas.

10.7 Government and the industry

10.7.1 Tax incentives

Although mineral industry enterprises are subject to federal income tax, certain benefits granted under the Income Tax Act serve as incentives to exploration and development. Up-to-date information on income tax allowances which apply to the mining industry may be obtained from Revenue Canada, Taxation and appropriate provincial tax offices.

10.7.2 Provincial aid

Provincial departments support exploration and mining activities with geological, geochemical and geophysical surveys, reports and maps. Generally, they encourage development of mineral resources; co-operate with the Geological Survey of Canada and other federal government agencies; publish data, reports and maps; issue permits for prospectors or miners and record mining claims.

10.8 Mining legislation

10.8.1 Federal jurisdictions

The issue of ownership of offshore mineral rights underlying eastern coastal waters in Canada's

continental limits had not been resolved between the federal government and the involved provinces in 1982. In western coastal waters, the issue of control of offshore minerals with British Columbia also had not been entirely resolved. The Supreme Court of Canada in an opinion of November 1967 stated in part that, as between Canada and the province of British Columbia, Canada has proprietary rights in and legislative jurisdiction over "lands, including the mineral and other natural resources, of the seabed from the ordinary low-water mark on the coast outside the harbours, bays, estuaries and other similar inland waters, to the outer limit of the territorial sea of Canada."

The department of energy, mines and resources (EMR Canada) has federal responsibility for administration and enforcement of legislation and regulations relating to mineral resources off Canada's coasts, in the Hudson Bay and Hudson Strait regions, and for federally owned mineral rights that become available for development in the provinces. The department of Indian and northern affairs (INA Canada) is responsible for mineral rights in Yukon and Northwest Territories and in Canada's Arctic offshore regions.

Mineral rights of Indian reserves in the provinces are administered by INA Canada in consultation with Indian band councils. Rights to a reserve may be taken up only after the band has approved development through a referendum vote. The minerals are then administered under special oil and gas or mining regulations. The Indian oil and gas regulations allow disposal of rights by public tender in permits or leases. The mining regulations provide for disposal on terms negotiated with the Indian band council.

10.8.2 Federal mining laws and regulations

Mining exploration and development is carried out in Yukon under the Yukon Quartz Mining Act and the Yukon Placer Mining Act. In Northwest Territories, including Arctic coastal waters, operations are governed by the Canada mining regulations. Regulations for placer-gold dredging, coal mining and quarrying are common to both territories. In Yukon, mining rights may be acquired by staking claims. A one-year lease may be obtained to prospect for the purposes of placer mining, renewable for additional one-year periods; a 21-year lease, renewable for a like period, may be obtained under the Yukon Quartz Mining Act.

Under Canadian mining regulations, a prospector must be licensed. Staked claims must be converted to lease or relinquished within 10 years. In certain areas, a system of exploration over large areas is allowed by permit. Any individual 18 years of age or more or any joint stock company in Canada may hold a prospector's licence. No lease is granted to an individual unless the applicant is a Canadian citizen. No lease is granted to a corporation unless it is