

at Baie-Comeau, with a capacity of 272000 t/y, and the other at Bécancour, with a capacity of 230000 t/y.

With abundant supplies of hydroelectric power, Canada is one of the lowest cost aluminum-producing nations in the world. With an improvement of aluminum market prices during 1987, a 200000 t/y smelter project at Laterrière, Que., which had been shelved in 1985 due to depressed market conditions, was reinstated. In addition, a 115000 t/y expansion to the Bécancour facility and a new 270000 t/y smelter at Sept-Îles were under consideration.

Iron and steel. Although the Canadian iron and steel industry is relatively small by world standards, it remains internationally competitive. Production in 1987 was 14.7 million tonnes, up 4.5% from 1986. The value of Canadian production in 1987 was almost \$8 billion. Improved demand is attributed to good levels of consumer spending and a significant rise in the demand for structural components related to high capital spending.

Canada continued to be a net exporter of steel. Over 80% of exports go to the United States, which experienced high demand in 1987, partly due to favourable currency values.

The Canadian industry continues to make heavy investments to improve product quality and increase productivity. In 1987 such expenditures totalled more than \$1 billion, and included additional continuous casting equipment and vacuum degassing facilities designed to improve steel quality. By 1995, about 95% of Canadian steel will be continuously cast.

10.7 Government and the industry

10.7.1 Fiscal 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.

The federal government also facilitates the flow-through share financing of primary exploration by way of the Canadian Exploration and Development Incentive Program (CEDIP). Information on this program may be obtained from the Department of Energy, Mines and Resources and regional CEDIP offices.

10.7.2 Technical services

The provinces own the natural resources within their borders and control exploration, develop-

ment, conservation and primary production of mineral resources. Provinces support mining activities by supplying geoscientific data, mainly in the form of maps and reports. In general, a wide range of programs is available to stimulate the industry, although there is variation from province to province. They issue prospecting permits, record mining claims and supply mine inspection services.

The federal government complements many of these services in consultation with the provinces. Federal-provincial mineral development agreements are a prominent vehicle for co-operation.

10.8 Mining legislation

10.8.1 Federal jurisdictions

The matter of legislative jurisdiction, in relation to the exploration and exploitation of mineral resources, offshore of the East and West Coasts of Canada has not been totally 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". In May 1982, the Supreme Court of Canada ruled that between Canada and Newfoundland, legislative jurisdiction in respect of the mineral resources of the seabed and the sub-soil of the continental shelf offshore of Newfoundland, in the region of the Hibernia oil discovery, falls to Canada.

Some near-shore coastal waters fall under provincial jurisdiction. In 1984, the Supreme Court of Canada ruled that the seabed of the Strait of Georgia falls within the boundaries of the province of British Columbia as established at the time of the colony of Vancouver Island and has remained unchanged since that date.

The Department of Energy, Mines and Resources (EMR Canada) has 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 the Yukon and Northwest Territories, and in Canada's Arctic offshore regions.