

Emergency Gold Mining Assistance Act

maintaining of our economy, even though it has not always been a buoyant economy and during the depression periods this has been particularly apparent in that it has enabled some people to at least make a living.

The gold mining industry, in my opinion, has been the initial stage of development in the part of the country from which I come, namely northern Ontario. We are very sympathetic to the vision of the development of the north, but we feel that the visionary part of our development has already taken place and that we in northern Ontario have reached the stage where we must either go back or go forward in a different way. We might go back as did the town of Cobalt when the price of silver dropped very rapidly. Cobalt folded up and overnight became a ghost town, although it now produces a great volume of silver once more. At that time, however, it was left to its own resources and its economy virtually disappeared. The same thing has happened and now appears to be happening with respect to the gold mining industry and we would be very well advised to read the words of the present Minister of Finance when the legislation was originally before this house for renewal back in 1956. As reported at page 4972 of *Hansard* for June 12, 1956, he said:

I have emphasized, sir, that this measure is no solution of the deep-seated problem of the gold mining industry. The difficulty and the flaw in measures of this kind is that they often lull the government and lull parliament into thinking that the problem has been solved, or at least the problem has been met for the time being. No hon. member should delude himself into thinking that this measure is any solution, even on the short-run basis, of the needs and the problems of the gold-mining industry. These problems are going to require much more farsighted solutions than are offered by the hand-to-mouth, stop-gap type of assistance that we have in the present measure.

I am in complete agreement with that statement. While it is necessary to continue the emergency gold mining assistance and, because of the rising cost of living, to increase it, it is no solution in the long run to the problems we have to face. Some communities, in fact, have finally decided they must take a look at the situation. The hon. member for Villeneuve spoke very strongly in favour of the mining industry and I might say that the previous representative of Timiskaming, who sat in this house during a previous parliament, also spoke very strongly in favour of the gold mining industry. That hon. lady has been fairly well rewarded by that industry and is now secretary of their association. These communities, however, have suddenly decided that they can no longer speak as partners of the industry but that they must speak for themselves, because their views

and their needs are not necessarily the same as those of the industry itself.

Over the past few years the industry has faced new problems and has taken some of the money it has accumulated and has re-invested that money in other industries. It is no longer promoting the gold mining or other mining industries in many cases. For instance, as the hon. member for Timmins pointed out, the \$60 million reported to be in the profit fund of the McIntyre mines is now being used to buy steel companies and is to a very large extent being invested in airplane companies, railways, etc. The mining industry is no longer looking after the development of the mining areas or the industry itself; it is quite happy to take its money and apply it in other places. This leaves the communities to look after themselves.

I am quite happy to see that the town of Timmins, in particular, and mining communities in general have joined hands in presenting to the government this year a booklet entitled, "The Gold Mining Community", which is a study of the problems of the economic growth of these communities. This booklet is by William Lougheed Associates, consulting economists, located in the Temple building, Bay street, Toronto, and it is a very interesting document. Every member of this house has now received a copy and I suggest we should all read it. I suggest this particularly because the measure before us does not solve the real problem and it is necessary that we take a look at the situation in the industry in order that we can implement a measure to provide the measures necessary for its survival.

This booklet goes on to point out some of the problems that are faced by the mining industry. In the first place there is a debased price which does not remain constant at the base price of \$35. Because of the premium on the Canadian dollar the base price decreases on sales to the United States and less than \$35 is received. This appears to be a responsibility of the federal government for two reasons. It has the power to determine the price of gold and it can decide what the premium on the Canadian dollar may be from day to day.

We in this group have supported the Emergency Gold Mining Assistance Act because we felt it would be of some benefit to communities that so desperately need it. We have also looked for other solutions to this problem as have the municipalities themselves. The municipalities have seen the price of materials in the industry go up and the cost of living has gone up. The municipalities are entirely dependent on the people who live