

*Gold Mining*

mines, and to the employees and their dependents, as well as to the communities, especially in outlying areas where the mines provide sole support. This threat applies in practically every gold mining centre in Canada, and it is plain to see why the industry feels grave concern and doubts the adequacy of the assistance to be provided to meet the needs of the industry.

Mr. Speaker, I cannot stress too strongly the urgent need of stabilizing the position of the gold mines, so that operators can undertake with confidence the future planning which is so necessary to successful mining operations, and which will result in immediate contributions to the national economy of Canada.

Unless assurance of continuity of operation over a long-range period is forthcoming, I am afraid the industry will be confronted with an even more serious crisis threatening the continuation of these important operations which are so essential to the economy of Canada.

The situation is serious; and unless something is done to alleviate the uncertainty, so that the operators can look forward to the future with some degree of confidence and assurance—rather than gloom and despair—the gold mining industry will surely decline.

I feel confident that the Minister of Mines and Technical Surveys (Mr. Prudham) is sympathetic to the problem, and will do everything possible to remedy and assist the gold mining industry.

**Mr. Donald M. Fleming (Eglinton):** Mr. Speaker, I think the house should welcome this opportunity of giving some consideration to the position of the gold mining industry. This is the first time this subject has been under discussion at the present session. Since it was last discussed a year ago two events of considerable importance have occurred: first, on September 28, 1951, when the international monetary fund took action in freeing members with respect to the marketing of so-called non-monetary gold, and then the decision taken by the Canadian government which issued on October 7, 1951, new regulations with respect to the marketing of that same commodity, the so-called non-monetary gold.

The position of the gold mining industry and what the gold mining industry has meant in the development of the economy of this country has, it seems to me—and I say this with respect—never been adequately recognized either by the government or by the House of Commons. Gold is still what it has been for a long time, the one universally accepted medium of international exchange. It is sought today by all nations

[Mr. Simmons.]

of the world, Russia included; and for Canada it has still a place of very great importance in our total economy.

The fundamental problem faced by the gold mining industry in this country is the problem of rising costs on the one hand and a fixed price for their product on the other—a price that has remained fixed for eighteen years, without change, while costs have risen at an alarming rate. Here we have one commodity singled out by governmental action not only on a national but on an international scale as one on which the price should be fixed, while it has been the policy of the government not to countenance price control in respect of any other commodities.

Let me say at once with respect to the decision taken by the government last October, which issued in the order in council and regulations which appeared on October 7, that I think it was a commendable decision. It was a step in the right direction. I cannot say that it was more than a step in the right direction; but so far as it went it was a constructive improvement.

This bill arises to some extent out of a conflict of government policy, it seems to me. The bill itself, like its predecessors, is only a stopgap measure. It is the application of an artificial expedient to a situation which calls for a long-term and constructive solution. We are still faced with a hand-to-mouth treatment of a problem which is very deep-seated, and which calls for the application of the utmost intelligence both in the house and on the part of the government.

Undoubtedly, in the three years during which it has been in operation, this Emergency Gold Mining Assistance Act has been the means of keeping alive certain producing mines on a hand-to-mouth basis. But the development work in the great Canadian northland has been virtually arrested. We saw a year ago when the amendments of 1951 were under discussion that the amount of aid provided by this measure had been reduced year by year, and that the number of mines which would qualify for assistance under the act was also being reduced.

The search for gold has been the forerunner of much of the development of the great northland of this country. The searchers for gold, in effect, in many great areas of this country, have been the pioneers. The search for gold has led in turn to the discovery and later to the production of base metals and to other economic developments.

The situation confronting the gold mining industry today is so serious that that trend has been reversed. Virtually no development work is going on in the search for gold. At the present time the development