of Finance and its experts over in the east block, eventually they have done a little with regard to the depletion allowance. If I read the statement correctly, the depletion allowance to mines is increased from 33⅓ per cent to 40 per cent. Nothing is said in the statement about shareholders, so presumably the shareholders still take it in the neck.

My next observations will be directed to the free exchange. The minister went to great lengths to show that free exchange was not helpful to the Canadian or United States owner. If it is not helpful, and if it is not a real differential in cost, then why is it that Canadian stocks selling on the New York stock exchange sell from anything up to ten per cent lower in American dollars than they do in Canadian dollars? If the exchange disparity is not something that is very real, why is there a disparity in the prices of stocks on the two markets?

Having said that I should like to attempt to show the house the real danger which is facing the mining industry. I believe I should begin by pointing out the difference between mining—particularly gold mining—and any other type of industry. In a normal industry if the product is not marketed at a profit one can increase the price to the consumer. If the manufacturer still cannot operate at a profit, he can go into some other line and make some other type of article. Then if he fails to make a profit he can close his plant and wait until times improve, and pay only the small cost of maintenance and insurance.

On the other hand with a gold mine one is faced with a fixed price of $35 an ounce. Expenses are constant: one cannot close a mine or shut down a mill. The company has to keep it operating, because if it is not operating the mine will fill with water and become of virtually no value. Furthermore the management cannot make or sell any other product. Therefore as gold mining costs increase the mine is constantly driven nearer to the wall, until such time as costs equal selling price, which must bring about the closing of the mine. There is no other answer.

Under normal conditions mining is a hazardous and extremely vulnerable industry. There is no way in which one can look forward to what he is going to discover with the aid of the diamond drill. Except under most exceptional circumstances reserves can never be blocked out years in advance. Mining is always a wasting asset: the deeper one gets, the higher go the costs. Even under the best circumstances mining is a difficult, dangerous, hazardous and speculative business.

On many occasions I have drawn the attention of the house to the importance of mining, and particularly gold mining, to Canada. Under normal conditions a man employed in a mine gives work to at least five other men in other parts of Canada. In the United States the ratio is even higher, because the extent of fabrication of metals in that country is greater than it is in Canada.

Mines have beaten back our northern frontier. Without them northern Quebec could not have been properly and adequately colonized. Without mining, the great clay belt represented by the hon. member for Cochrane (Mr. Bradette) would not have become a potential farming area. Today in Canada eighty per cent or more of our land can be used only for mining purposes. North of the tree line, and even approaching that line, the only asset we have lies under the ground. It seems therefore that everything possible should be done by any government in Canada to see to it that that eighty per cent is developed.

I now come briefly to the question of base metals. Today we have a differential between the controlled price of base metals in Canada, and the world market for those products. I wish to place on record a table showing these comparative prices:

	Canadian	United States	World
Lead	10·63	14·00	14·00-14·50
Electrolytic zinc	10·25	11·50	11·50-11·75
Electrolytic copper	16·63	20·50-22·00	20·50-21·00

It will be noted that the world market runs similar to the United States market. The differences between the Canadian and United States prices are 3·37 cents for lead, 1·25 cents for zinc and 5·37 cents for copper. There would be the same differences between the Canadian and world prices. If the price of base metals was keeping up the cost of living in Canada to any extent there would be some excuse for continuing controls, but there are two things to be taken into consideration. First, a difference of two or three cents per pound may mean the difference between a mine operating at a profit or at a loss. The net result of these controls has been that in effect a subsidy is being paid to the fabricator.

The price per pound does not mean much to the consumer of the average article, because the metal content costs of most articles is quite low. The cost of the metal is only a fraction of the total consumer cost. One of the first things that must be done is to remove the ceilings and controls on base metals.

There has been considerable activity in the stock market and people will say that if the stock market is good there cannot be much