

One of the reasons gold mining communities and the gold mining industries have not received any increase in the subsidy this year—and this has always been questionable—is that we are at the present time in fact paying 6 per cent or 7 per cent more because of the increase in value. The situation, therefore, is worse because of the unpegging of the dollar. Some of the gold mines in northwest Quebec and northern Ontario, particularly those in northeastern Ontario, are troubled by rising costs. This naturally results from the inflationary trends we have had and by progressively lowering the grade of ore being mined.

It seems that everything that is happening is slanted against the existence of these communities. It is making it more and more difficult for Parliament to renew this subsidy into the indefinite future. However, we must recognize that people as well as money are involved in this problem. According to figures presented by the industry in a brief to the government, there are approximately 6,500 employees in the gold mining industry. Their direct dependents number 15,500. This totals over 22,000 people dependent upon these mines being kept open and operating at least on a part-time basis.

Some communities are dependent upon the continuation of subsidies until such time as an alternative should arise. It is very difficult to retrain people who have always worked in the gold mining industry. It is even more difficult to uproot them from their homes and force them to move elsewhere. The people who are in these 16 communities are settled with homes, schools and families. It is in the interest of this nation that these communities be assisted to remain viable and active. We hope the government will develop a plan for the future of these communities.

I should mention a situation that has developed since the last renewal in 1967. I refer to the good progress of the plan for development of the mid-Canada corridor which has been under active study for over a year and a half. It was originated by Richard Rohmer of Toronto. I was present at a well attended meeting at Thunder Bay in the summer of 1969. It was in fact opened and addressed by His Excellency the Governor General. He extended his best wishes for the success of the venture.

It is hoped that development of this kind will be successful and that the idea will be brought to fruition. It is the hope of many of the people in the mid-Canada development corridor that somebody, somewhere—government, industry or a group of private people—will come up with a plan to save the many mid-Canada communities which are now faced with difficult times. While this situation exists, the gold mining communities must be kept alive and support given to those citizens who have sufficient community spirit to keep them going. During the debate which took place in 1967 I expressed the hope that the government could find an alternative plan for these communities other than the handing over of straight subsidies. It was my hope that mining for other minerals could be developed so that new industries could be established. In some cases, in small ways, the situation has improved since then but the situation now is not one which makes us feel a solution is likely in the near future.

*Emergency Gold Mining Assistance Act*

• (9:30 p.m.)

As I said, it is truly a travesty of the English language to continue calling this legislation the Emergency Gold Mining Assistance Act after 24 years. It is surely the responsibility of the government to provide an alternative for the communities concerned. I know that in some instances the Department of Regional Economic Expansion has provided incentives for industry to locate in these areas. Sometimes it has been successful, but it has come nowhere near offsetting the decline in the gold mining industry.

In these difficult circumstances, Parliament is once again asked to approve the continuation of a subsidy from the public purse. I think we are bound to question this policy. We can make suggestions for a better application of the subsidy and the setting of some rules along the lines of those the minister announced tonight; we can sympathize with the people and the communities concerned, but we need to look at the whole question very closely.

In August of this year, shortly after the government had announced its intention to extend the provisions of the act for a further period an article appeared in the *Winnipeg Free Press*, written by Maurice Western, a well-known member of the parliamentary press Gallery, entitled "Golden Subsidies". Mr. Western took the occasion to wonder why Parliament persisted in treating the extension of this act as a routine matter worthy of nothing more than superficial debate. He also drew attention to several other factors affecting the gold mining community, including the fact that the International Monetary Fund had developed so-called paper gold, or special drawing rights, the effect of which was further to erode the value of gold as a commodity connected with international currency. The article is, in a sense, a protest on behalf of the Canadian taxpayers against the continuation of a subsidy without apparent end. I agree there is a basis for this element of criticism and this is why the subject deserves our close attention.

In the end, though, we have been offered no alternatives; none have been developed since the last extension of the act three years ago. In these circumstances we can do nothing, I believe, except protest that the government should have made alternative plans. We must call attention to the fact that this is a continuing subsidy, but we must also let the industry and its dependents down as slowly as possible.

I believe the conditions the minister applied to the present extension represent a further tightening of the grip upon the gold mining community and foreshadow the eventual closing down of operations. It is significant that the minister should have mentioned June 30, the end of the school year, as the termination date. It is a chilling forecast that many families a few years from now are likely to be uprooted and move from the communities in which they now live.

Today we have no alternative but to support the extension of the act as requested by the minister. I believe it is in the interest of the country, on balance, to keep these communities alive and to keep the people in their homes.