

ment for the gold mining industry from the hon. member for York South (Mr. Cockeram) and the hon. member for York West (Mr. Adamson), as we have been led to expect, but the leader of that party, who apparently saw fit to place the question of mining in an important amendment, will have something to say which is not evasive and not on the fence with respect to their attitude to parity and particularly with respect to their attitude to this question. Does he agree with the financial critic that it would be a bad thing if the United States raised the price of gold? I am hoping that the leader of the opposition (Mr. Brackeñ) himself will have something to say on this.

Mr. SKEY: How about the leader of the government?

Mr. BENIDICKSON: We stand on our record, may I say to my hon. friend. I am going to speak of that and I am going to speak of my hon. friend's record the last time his friends were given the opportunity of saying what they would do with respect to the gold mining industry.

However I do not expect a great deal from the leader of the opposition in the matter of a firm statement, because on this issue, as on most issues, to use the wording of one newspaper, he will probably "take refuge in the calculated obscurity of ambiguous silence."

Mr. KNOWLES: Say that in French.

Mr. IRVINE: He might as well.

Mr. BENIDICKSON: What is the comparative record of the party in official opposition and the government with respect to their attitude toward the gold mining industry? When that party now in official opposition had an opportunity to show their affection and keen interest in the gold mining industry between 1930 and 1935, what happened? When they took office, the government of 1929 had left them regulations under which there was a fifty per cent depletion allowance for the gold mining industry and a 33½ per cent depletion allowance with respect to base metals. The same depletion allowances were available for dividends from those industries. What happened? In five years in office they reduced the depletion allowances to 33½ per cent and they reduced the depletion allowances with respect to dividends to twenty per cent. In addition to that, I think the most uneconomic and most vicious tax that was ever imposed on the gold mining industry was imposed by the Conservative government in 1934. It was known as the bullion tax. In 1936, after they were swept out of office—and I think northern Ontario helped in the

[Mr. Benidickson.]

sweeping—the Liberal government introduced an important tax concession with respect to gold mining and that was an exemption from tax for three years for new producers. That was a Liberal measure. In addition, there was recognition that a certain period of time was necessary for what the industry calls "tuning-up", getting the machinery going, when a great deal of ore which clings to the machinery and so on is used. That amounts, on an average, to about half a year. So that a decided encouragement was given to the industry. For practically three and a half years a new mine was exempt from taxation.

I also want to point out that there is on the gold mining industry no tax, federally, which is not paid by any other industry in the country. However, that is not true of the administration of our hon. friends in the provincial sphere. In this amendment they are criticizing the government today for failure to give further encouragement to the gold mining industry. When there is only one Conservative government in the whole country, what has that government done? In the last budget it introduced the three per cent tax, the new mining tax of Ontario on gold mines. In addition to that, it eliminated the depletion allowance. I think we can only judge our hon. friends by what they do when they are given an opportunity to administer the laws of the country.

On the other hand, what is the record of this government? The depletion allowance, which I have said was reduced by the Conservative government from 50 per cent to 33½ per cent, was this year increased to 40 per cent. In addition to that, there was a per ounce depletion allowance of \$4, which means that any mine whose margin of profit is less than \$10 receives a better arrangement under that \$4 proposition than it does under the 40 per cent one. The result is that, instead of some mines having a depletion allowance of 33½ per cent, as they had under the Conservative regime, they have a depletion allowance of 100 per cent in some instances, and 80 per cent in others. This is a decided benefit to the marginal mine.

That, Mr. Speaker, is the reference I propose to make with respect to the inadequacy of an amendment from the official opposition when it comes to the gold mining industry. I think the proof of the appreciation which that industry has for its good friends is in the representation in this house, in that the official opposition is not represented in any part of the country where gold mining is a major factor in the constituency itself.

I propose now to deal with the matter of dominion-provincial relations, another instance in which the official opposition thinks its