

the industry—nothing in the way of subsidies is desired. Mining is too big and too important an industry to be looking for hand-outs. There are several ways in which the minister can help the industry get over these bad days, and I should like to suggest some possible measures. I know the minister has been approached by those connected with the industry, and no doubt he has a very good idea of what can be done. First, however, I would suggest that there is absolutely no freedom in the gold market where Canadian producers have to sell. The market for Canadian gold in the main is on this continent. It is a mistake to regard the new policy announced by the minister on July 5 as primarily an exchange parity policy. Actually it was a price control policy, and the mining industry has suffered because of it. In his announcement the minister hit the mining industry a body-blow which no other industry had to withstand. Why is that so? Simply because from the price Canadian gold producers were receiving he has taken away \$3.50 an ounce, which must come out of the profits, and which means that in the main the low grade mines will be unable to operate. Gold mining, like all other industries, has been subject to Canadian price control, and has operated within fairly close margins of profit. As pointed out by the hon. member for York West (Mr. Adamson), the average profit per ton of ore treated by the gold mines of Ontario in 1944 was \$1.94, and in the province of Quebec it was as low as sixty-two cents.

Let us compare the mining industry with the other industry that could have been hit by this announcement; that is, the paper industry. We find that yesterday the newspaper industry was able to announce an increase of ten per cent in the price of its products, which would offset any loss it might suffer in connection with this exchange policy. How can the minister help the mining industry? That is what the industry is interested in and what I believe many Canadians are interested in. In the first place, he could give back to the mining industry in Canada the fifty per cent depletion rate for both the mines and the shareholders. In regard to this depletion allowance I would point out that, once the ore is taken from the ground, it is finished and cannot be replaced. Therefore the ore reserves of mines are a constantly wasting asset. Then, the minister could make arrangements with the Canadian mint to refine, handle and market the bullion of the mines

at cost. In the next place, the minister could allow the mines to sell all their metals, whether base metals or gold, in such a way as to obtain world prices for their total production. I should like to point out to the minister that in spite of his arbitrary act in stating that the Canadian dollar is worth 100 cents in United States funds, Canadian money still remains at a discount in New York. Yesterday the rate was $1\frac{1}{2}$ per cent and went as high as two per cent. I wonder if the minister would not let the mines have the advantage of that rate, so that at least they would get this extra 70 cents a ton. This is not very much to a government, but it does mean something to low-grade gold mines.

I should like to offer another suggestion to the minister, and it is this: In order to promote the discovery and development of new mines in remote areas, such mines should be exempt from all taxation for a period of ten years. When I refer to remote areas I mean those areas which cannot be reached other than by plane or by bush road, or by any means other than railways. Every time a new mine is developed in these northern areas it opens up wide possibilities in connection with farming and lumbering which are good for the country as a whole. I offer this suggestion, having in mind that the areas near the railways to a great extent are thoroughly prospected, and that in future the mines will largely be found in the more remote areas of Canada. They will open up vast new districts; and when I speak of the remote areas I refer to such places as Yellowknife, Red lake, Pickle lake, Chibougamua and the new nickel mines in northern Manitoba. I would just say that these new nickel deposits in northern Manitoba may be a vital asset to Canada in the uncertain years to come. These deposits are at the present time approximately 150 miles from the railway. Unless this new area gets definite encouragement from the government, deposits are likely to remain undeveloped. A ton of rock is no asset to Canada unless it has had the metal extracted from it.

While I am on this subject, I should like to point out to the minister another way in which these remote mines are being penalized. The only means of transportation into the new areas is by aeroplane, and all hon. members know there is a fifteen per cent tax on travel. To go to the Red lake area, for instance, the