It has been suggested by the hon. members for Cape Breton South and Comox-Alberni that the government should not give this aid without imposing certain restrictions to bring wages and working conditions in the gold mining industry to a level where they would compare more favourably with wages and conditions in base metal mines. There is no question that the wages and possibly certain other fringe benefits are not as great in the gold mining industry as they are in the base metal industry, but there is a valid reason for that. When we had the money the employees in the gold mining industry topped the list with respect to wages and working conditions; however, that is beside the point.

I wish to point out to those hon. members who habitually suggest that this government should incorporate certain rules and regulations, which in my opinion are solely the responsibility and come within the jurisdiction and rights of administration of provincial governments, that in this case their proposals cannot come within the federal jurisdiction. It is not the habit, indeed it is not the custom of this government, to interfere in any way with provincial rights or to create any infringements.

I could go on in detail and question certain statements made with respect to the working conditions in the gold mining industry, but as I do not believe that that is the question before this government today, important as it may be, I will simply say that I support the bill. Without this aid many mines might have to close and could not possibly operate. If this aid were not given, the miners certainly would be in no position to negotiate under the provincial rules and regulations to improve what my hon. friends in the opposition have referred to as extremely poor working conditions. Thank you, Mr. Speaker.

Mr. J. W. Noseworthy (York South): I shall not delay the house for long. When speaking at the resolution stage of this bill I pointed out that the payment of subsidies to the gold mines was not the answer to the problem confronting them because, as I mentioned, it is deep-rooted and would not be solved simply by the payment of subsidies.

My colleague, the hon. member for Cape Breton South (Mr. Gillis), dealt at some length with measures he suggested should be taken in addition to the payment of subsidies if we are to right the wrongs that exist in the gold mining industry. I shall merely touch upon one or two of these.

In the first instance the gold mining operators are in a peculiar position as far as labour is concerned. Most of the gold mines, and particularly the Ontario gold mines, are located in northern Ontario where gold mining is the only industry available. The mining of gold is therefore the only occupation available to workers living in that part of the country. Consequently, the operators do not have to compete in an open market for workers as do manufacturers in urban centres or mine operators in many other parts of the country engaged in mining basic minerals.

As the hon. member for Timiskaming (Mrs. Shipley) has just indicated, improvement regulation is a provincial matter. In order to remedy the situation I think we need first of all provincial legislation which will introduce a labour code requiring employers in the gold mines to adopt the same standards that are adopted in comparable mining fields in other parts of the country. Because the mining operators have a form of monopoly so far as employment is concerned, because the miners have not the wide choice that other industrial workers have, because the expenses of moving from the mining field to other fields of employment are excessive, mine operators are able to get help much cheaper than the operators of other mines, and they are taking advantage of that situation.

There is another point I think we should keep in mind, namely, that gold mining is not unprofitable. When the gold mine operators find that they are going to lose they proceed to mill a grade of ore that will bring them a return on their investment. Before the price of gold was raised to $35 an ounce our Ontario gold mines were content with extracting one-third of an ounce of gold from each ton of ore milled. When the price of gold was raised to $35 an ounce they immediately proceeded to mill ore that, on an average, produced only one-quarter instead of one-third of an ounce of gold per ton. When the Canadian dollar was at a discount they proceeded to mill ore that produced slightly less than one-quarter of an ounce of gold per ton.

I suggest, Mr. Speaker, that if we were to raise the subsidies or the price of gold we would simply be encouraging the mine operators to mill ore that would produce less than one-quarter of an ounce. That may very well be in the interests of the mining industry. It may be in the interests of the country that we extract every last fraction of an ounce of gold contained in a ton of ore. I do not know, and I do not think anybody else knows. I do not think a serious study has ever been made whether it is in the national interest that we should continue to mill these lower grades of ore.

I think that this bill is an improvement and will help some of the mines that need