

Emergency Gold Mining Assistance Act

I myself firmly believe—and I am not the only one—that eventually the price of gold will be increased. If the price of gold were to be increased, let us say, in a month or two months, in a year or two years, it does not matter, the government would be in this position. It has over \$1,200 million worth of gold in the vaults of the Bank of Canada and if the price of gold were to be increased by 50 per cent hon. members can appreciate the enormous profit that would be made by the Canadian government as compared with the very little assistance given to the gold mines in the past. I understand the situation. I know that if the government were to keep on paying subsidies to industries sometimes it would not be a good situation. Let me tell hon. members that the industry itself does not like to receive this assistance. It takes the assistance because it needs it.

I would like one hon. member to tell me of one commodity, the price of which has not increased or did not increase during the last 10 or 15 years. Gold is the only commodity, the price of which did not increase. Not only did it not increase but it went down between 1948 and 1957. In 1948 the price of gold was around \$38 an ounce. Today the price of gold is below \$34 an ounce. In fact, I hold in my hand a list showing the average price of gold between 1938 and 1947. This is the mint price. The average price was \$37.43. The average price of gold between 1948 and 1957 was \$35.12, a decrease of \$2.31. The average price during 1955 was \$34.52. In 1956 it was down to \$34.55 and in 1957 it was down to \$33.45 an ounce. For the first six months of 1958, the average price of gold per ounce was \$34.08. The average price during the month of June, 1958, was \$33.67, and that price did not vary very much during the month of July. Therefore, this is one commodity the price of which not only did not go up but went down. Therefore, I say between 1948 and today the Liberal government were justified in paying that assistance to the gold mines.

Sometimes we hear some, I will not say irresponsible persons but persons who do not stop to think of the great difficulties experienced by the gold mines say, for instance, that the gold mines are not paying the same wages as the base metal mines. Let me tell hon. members that the gold mining industry did not do too badly even during those depressed years for the industry. In 1948, the average weekly wages for gold miners was \$49.64; the average for 1957 was \$73.30. Of course, we admit that those weekly wages are below the weekly wages paid by the base metal mines; but we must realize that the industry is facing a great deal of trouble.

[Mr. Dumas.]

The industry is competing with the base metal mines not only for ordinary miners but for engineers, technicians, managers and accountants, and hon. members know how difficult it is today to hire highly qualified engineers, geologists and experts to work in the mines.

In this country the production of base metal mines and other mines has increased tremendously. The total value of production in 1957 was more than \$2 billion. There was a large increase in the activities of the uranium mines. Therefore, the gold mines have to compete with those base metal mines which were hiring men at higher wages. However, the fact remains that since 1948 more than 50 per cent of the assistance paid by the government to gold mines went for increase in salaries and wages. Even if the gold mines are experiencing some trouble today, they are paying heavy federal taxes, provincial taxes and municipal taxes. I am told that taxes paid in some of the gold mining camps exceeds 40 per cent of the assistance which those mines are receiving from the federal government.

Last year when the Canadian metal mining association came to Ottawa to present the problems of the gold mines they outlined the principal factors which had contributed to the marked deterioration in the past year and which have caused the current critical conditions in the gold mining industry. They are as follows:

1. The sharp and steady decline in the mint price of gold. I have mentioned that over the last two years the average price per ounce for gold was below \$34.

2. The increase in costs of operation incurred through increases in basic wage rates combined with a shorter working week. This has been another burden which has had to be absorbed by the gold mining industry.

3. The loss and scarcity of manpower, especially trained miners as well as technical and professional personnel. I mentioned a few minutes ago that the base metal mines were getting the cream of the technicians because they were paying high wages. They were short of technicians and miners and they were coming to my own constituency to hire miners who wanted to move from a gold mining camp to a uranium mining camp such as Blind River.

4. The Canadian metal mining association mentioned the increased cost of certain items of supplies and equipment and some services. We know that the price of materials has been increasing all the time. The price of supplies to the mines has been increasing for the last ten or twelve years and in some cases provincial taxes have also been increased. In the province of Ontario the tax on the mines