

Emergency Gold Mining Assistance Act

sources during that period was 42.8 million ounces and cost-aid payments were made on 31 million ounces, or about 73 per cent of the total.

The \$108.8 million paid out since the act came into force does not appear at all excessive when it is realized that in 1956 alone the gold mining industry paid out a total of \$117 million in salaries and wages, fuel, electric power, and supplies and equipment. It provides direct employment for 17,000 and it is the main support for 80,000 people who reside in the gold mining communities.

I stated earlier that the gold mines have made every effort to decrease their operating costs. In this respect they have done well. The average ounces of gold produced per year per employee was 53 per cent higher for 1956 than in 1948. Also, the average number of tons of ore hoisted per underground worker was 35 per cent higher in 1956 than in 1948. However, despite the improved efficiency, the cost of production per ounce of gold has continued to rise.

A continuation of the cost aid beyond 1958 and the proposed 25 per cent increase are needed to prevent irreparable damage to a large segment of the gold mining industry. Actually, from a survey of the situation by officials of my department it seems likely that 20 gold mines would have to close down after a two or three year cleaning-up period should assistance payments be discontinued at the end of 1958. These mines would very likely remain closed permanently and numerous other gold mines would be adversely affected to a varying degree.

The effect this would have on the dependent communities need not be stressed, for it can be readily visualized. It is hoped, therefore, that the proposed extension of the act and the additional assistance will serve to extend the life of our northern communities, to provide assurance of good conservation measures in our gold mining operations, and to maintain the level of our gold production, an all-important sector of Canada's mineral industry.

Mr. Dumas: Mr. Chairman, it is not my intention to take very much of the time of the committee at this stage of the proceedings. However, I wish to express the hope that the resolution just introduced by the Minister of Mines and Technical Surveys will be supported by all hon. members of the house. Speaking on behalf of this party I may say that we will wholeheartedly support the resolution which is in these words:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1959 and 1960

and to provide for a twenty-five per cent increase in the amount of assistance for the years 1958, 1959 and 1960.

This is a very simple amendment. The formula which has been applied for approximately the last four years will remain the same and in calculating the assistance the Department of Mines and Technical Surveys will simply add 25 per cent to the assistance paid. This is a substantial increase and I am happy to congratulate the minister and the government for having decided to amend the act in this way.

As was stated by the minister in his introductory remarks, the Emergency Gold Mining Assistance Act first came into force on June 15, 1948, and was applicable to the full year 1948. Since the inception of the act it has been amended and extended and, as was mentioned by the minister, the total amount paid under the act since 1948 is \$108.8 million. It is interesting to see how much the government paid for all the gold it bought from 1948 to 1957 and how much the government paid for gold it bought between 1938 and 1947. Between 1948 and 1957 the gold mines in Canada produced 42,722,000 ounces of gold. I presume that the bulk of this gold was bought by the government. If we take the average price for the years 1948 to 1957 we arrive at a total amount of \$1,500,320,000. If we add to that the cost to the government for assistance under the Emergency Gold Mining Assistance Act we arrive at a total amount of \$1,610,466,000 or an average price per ounce of \$37.70.

And again, if we take the average price for 1937-48, we come to a total amount paid by the government, assuming the government bought all the gold, of \$1,515,466,000, or an average price of \$37.43 an ounce. Therefore, between 1937 and 1948, when there was no assistance paid to the gold mines, the government paid an average price of \$37.43, and during the period between 1948 and 1957, when the government paid a total amount of roughly \$110 million in assistance to the gold mines, the cost per ounce to the government was \$37.70, a difference of only 27 cents per ounce to the government. Therefore, by studying these figures, we realize that after all the cost to the government in keeping the gold mines in operation during that period of 10 years between 1948 and 1957 amounted really to only about \$12 million. I think it was a wise move that the government made and I think it is a wise move which is being made now by the present government in amending the act to extend the act not only for two years but to increase the assistance by 25 per cent.