

*Gold Mining*

Figures compiled by the department of mines of the province of Quebec are even more convincing. They show that the operating cost of producers in that province during the year 1939 was \$24.65 per ounce exclusive of taxes. The average price of gold for the same year was \$36.67 an ounce. In 1949, again in the province of Quebec, the cost of producing an ounce of gold had jumped to \$35.56, an increase of 44 per cent. However, the price of gold for the same year had remained practically the same as that of 1939, namely, \$36.16 an ounce. For the first nine months of 1951, again in the province of Quebec, the cost of producing an ounce of gold has exceeded by 18 cents the average price paid by the mint during the same period. During the month of April, 1952, while the cost of producing an ounce of gold in the province of Quebec amounted to \$37 the average mint price was \$34.35.

Of course one serious feature that has added to the difficulties of the industry during the last few months has been the sharp decline in the price of gold. During 1941 the average mint price was \$38.50 an ounce. During 1950 the average mint price was \$38.04. But for the first nine months of 1951 the Canadian dollar was at a discount of 5 per cent in terms of the United States dollar, and from September to the end of the year at a discount at less than 2½ per cent, resulting in an average price for gold per ounce of \$36.82. These figures can be verified in a publication of the bureau of statistics. With the Canadian dollar at a premium instead of a discount the average mint price for gold during April, 1952, was \$34.35 an ounce. For the first week of May the price was \$34.31. For the week ending May 10 the mint price was \$34.40½. With these figures before them I am sure hon. members will realize the critical situation facing this industry on which so many people depend.

At this point I should like to say a few words on this matter of our money being at a premium. We may be inclined to be somewhat proud of the fact that our dollar, which was at a discount for so many years, is now at a premium as compared with United States currency. However, to my mind if the Canadian dollar remains at a premium for a long time it will result in more harm than good. Our dollar at a premium simply means that it will be more costly to those who live outside our country, south of the border for instance, when they wish to obtain Canadian dollars. It is bound to check the flow of capital from the United States; and putting the brake on United States capital coming to Canada will certainly retard the development of our natural resources. Our basic industries such as lumbering, mining, agriculture

and fishing are bound to be seriously affected by the increased cost of Canadian money. Other industries, such as the tourist trade, are bound to be handicapped for the same reason.

The premium on the Canadian dollar has added to the numerous burdens already being carried by the gold mines of Canada, and I hope the government will see its way clear to try to correct this situation. Recent legislation permitting the sale of gold of industrial grade on premium markets has been warmly received by the industry. At the annual meeting of Noranda Mines the president, Mr. Murdoch, had this to say in regard to that legislation:

Last October the government took a courageous step in permitting the mines to sell gold to domestic fabricators for use in Canada and for export to the free world markets. South Africa and Canada, in attempting to assist their respective gold mining industries have, in my opinion, taken constructive action which will ultimately benefit all the trading nations of the world in breaking away from the restrictive controls and currency regulations of the international monetary fund.

A little further in his report Mr. Murdoch also said that were it not for this feeling of confidence and the recognition by Ottawa of the serious position of the industry, he would recommend that Pamour be closed down in a jiffy. That mine, by the way, is in the Timmins district, and the full name of the company is Pamour Gold Mines Limited.

The general terms and conditions under which the sale of gold on the industrial market is made, though they met with approval and commendation by the industry, could be improved at no expense to the country, in order to give more revenue to the producers. For instance, the sale of fine gold rather than debased gold should be permitted. Such an amendment to the regulations would mean approximately 50 cents more an ounce to the producers. Other regulations relating to this legislation should also be amended.

The critical situation which confronted the gold mining industry in 1948 caused the government to enact the Emergency Gold Mining Assistance Act. Since that legislation came into effect it has been of great assistance to the gold mines, to the miners and others working for these companies, and to all the communities depending on the gold mining industry. Those of us who are closely connected with and depend upon that industry for our livelihood were very pleased with the enactment of that legislation. We have also appreciated the amendments that have been made, and we are grateful to the government for the past and present extensions of the act. I would like also to record my warm appreciation of the opportunity granted