

could, and they responded immediately. A year and a half or two years later, when curtailment was necessary in the gold mining industry because of man-power and material shortages, they again responded immediately. This is an industry which has always stood on its feet, never asking for any special privileges. We sometimes hear it referred to as a sheltered industry, but it is not a sheltered industry. It does not want to be. It has never required shelter. All it wants is to receive fair treatment, and the comprehension of their problems.

No matter what may be said about it, our government has done something for this industry. Before the budget was announced, the Department of National Defence announced that assistance to the gold mines was provided by the government in three relief measures, the first of which raised the depletion allowances from $33\frac{1}{2}$ to 40 per cent on profits earned after January 1, 1947, in the case of mines the value of whose output is derived to the extent of 70 per cent or more from gold. Second, in the case of low grade mines with profit margins under \$10 an ounce, the minimum depletion allowance was to be \$4 an ounce, instead of \$2, the change to apply in fiscal periods ending after June 30, 1946. The third measure applied to new mines that have come into production since the first of last year and relieved them of the obligation of taking into their books the appropriate write-off for depreciation and pre-production expenses during the first three years of operation. These steps were intended to encourage prospecting and to stimulate operations, gold production having declined nearly fifty per cent in the past five years.

The door of the Department of Finance is still open to members of all parties to bring reasonable and logical pressure on the government to implement the necessary requests made, so that the gold-mining industry will play the full role it is intended to play in our national economy.

I repeat that when you hear it said in the House of Commons that all Canadian gold should not be sold in the United States market but on the open market, I say, no, for the simple reason that ninety per cent of the gold producers do not want the latter market. They do not want to black market, to bootleg against the United States treasury, and they do not want the responsibility of collections. In places like Egypt, India, North Africa and South America the producers may get as much as \$50 an ounce for gold, but where will the responsibility lie for collection? Will they absorb all our gold production? Certainly not. There is only one natural market for gold and that is the United States treasury.

I listened attentively the other day to the statement made by the hon. member for Muskoka-Ontario (Mr. Macdonnell), that perhaps a solution of the difficulties of the gold mining industry would be an increase in the price of gold per ounce by the United States treasury, but he said that would be pure inflation. I do not agree, because I have it on good authority that gold producers in the United States at the present time, with the price \$35 an ounce in the United States, are in the red just as some Canadian producers are. The day is not far distant when the price of gold will be increased by the United States treasury. That will be a great help to Canada as well as to the United States. It could not be inflationary, for the very simple reason that you cannot oversaturate that market. Gold is not an ordinary commodity but one used only by governments for exchange purposes. Some say that the gold is just put in a hole in the ground and left there, and nominally that is true. But great big nations find their gold reserves today sadly depleted, and these gold reserves served a most useful purpose in bringing us victory in the last war. I shall gladly cooperate with any member in any logical way in promoting the interests of the gold mining industry. There is no necessity for politics in discussing the gold mining industry. The mine operators would be the first to resent that, because they are practical and logical men. But if ever the day comes when the price of gold is increased by six or seven dollars an ounce it will mean 200,000 more people employed in northern Ontario, northern Quebec and northern Canada as a whole, and will prove beneficial to the whole of Canada.

I want to say a few words about a very contentious subject, namely dominion-provincial relations. I know I am going to have with me in this the present leader of the Progressive Conservative party (Mr. Bracken), because his attitude was most logical and statesman-like when he appeared before the Rowell-Sirois commission, and later on the dominion-provincial conference held for the discussion and adoption of that report. He made a wonderful impression there, not as a provincialist but as a true Canadian. He realized that the whole was greater than any of its parts, and his situation today must be unhappy because behind him there are men who are not playing the game on dominion-provincial relations, as he did as a real and true Canadian.

The doors have always been open so far as the federal government is concerned. I am not going to hold any brief for the premiers of Ontario and Quebec. They happen to be