

nell), the official critic of the opposition. He quoted the hon. member as saying at page 2803 of *Hansard*:

... I suppose, there could not be a more inflationary measure and because it seemed to me that if that was the only way, or was one of the serious ways, which the government regarded as a possibility of dealing with this thing, or of finding a way out, then it seemed to me the matter was not being dealt with as it should.

The hon. member for Muskoka-Ontario was referring to the governor of the Bank of Canada who was reported in the newspapers as saying that a rise in the price of gold in the United States would be an advantageous thing for Canada. He did not oppose the statement made by the governor of the Bank of Canada; he simply said it was strange that the governor of the Bank of Canada should have said such a thing and it be admitted in the newspapers, because the whole reason for the definite reduction in the price of gold in Canada was that it was an anti-inflationary measure. The reason that statement was made was to show that, on the one hand, we had the government decreasing the price of gold in Canada because increasing the price of gold would be inflationary, and yet saying at the same time that an increased price of gold in the United States would be a good thing. On the one hand, you have the statement by the governor of the Bank of Canada and, on the other hand, you have the actions of the government. They do not jibe. Actually we are dependent, more than many of us like to think, upon the gold mining industry and in a minute or two I shall refer to that in more detail.

There is one other thing I wish to say with regard to the bullion tax put on by the previous Conservative or Bennett administration in the years of the depression. That bullion tax was a wholly iniquitous thing. I said so then and, in fact, I broke with my party on that issue. But let me say that the fathers of that bullion tax, the people who believed in it, the people whose brain child it was, are still officials of the Department of Finance; they are the people who are still responsible for the policies of this government. They are still there and the mining industry is still getting a short shrift.

Mr. ABBOTT: It is a good thing for Canada that they are still there.

Mr. ADAMSON: I hope the minister is correct, but I do not think he is.

There was a great contrast in the presentation of the budget this year with the presentation of previous budgets by the present Min-

ister of Justice (Mr. Ilsley). There was a difference not only in the presentation but in the preparation. Previously the budget required a period of confinement, and one would see the Minister of Finance in a state of high emotion, full of care and worry over the secrets he held in his breast. This year the situation was quite different. There was a gladsome cheerfulness, even a spirit of levity before the presentation of the budget and it seemed that the minister sought company rather than the solitude of a lonely cell. The difference in result was equally pronounced and, instead of giving birth to a wild, strangling octopus with a well-fanged voracious mouth which fastened itself upon the vitals of the Canadian people, sucked their blood and ate their sinews, this budget was a more pleasant affair, but it was not the grand, brave, healthy child its parents could have wished it to be. Rather it was a somewhat misshapen infant whose producers were forced to emphasize one part of it, leaving the rest of the body covered to prevent close inspection. It is with regard to what remains covered that I wish to speak today.

Heretofore in this house I have spoken on mining. I have tried to plead with the government to save the industry, particularly the gold mining industry. They have not listened; in fact, they have done the very things which are most likely to destroy the industry entirely. I will not go into the figures again, but I merely wish to say that if present mining costs continue at the same rate of increase as they did in the last calendar year, by the end of the year there will be only eight to ten straight gold mines which can operate at a profit. In the beginning of the depression years there used to be a saying in mining circles, "the big eight". It would appear from the government's policy that we are to return to a period when we can say, "not the big eight," but merely "the eight" which are getting by.

To show you, Mr. Speaker, that mining costs are still going up, two increases were made recently, an increase of ten per cent, I think, on dynamite, and another increase on steel. Prices of materials required by the mines are still rising.

The facts are simple, and they are these. If a mine can produce an ounce of gold after taxes and development for less than \$34.80 an ounce, it can make a profit. If it cannot do this, it cannot make a profit. If it cannot make a profit, it cannot continue to operate. As a matter of fact, a great many mines will continue to operate, and are, in fact, operating