

We originally set up the criteria for this on the basis of unemployment. I think everyone who has been before the committee—and I sat in on a number of presentations to the Cabinet—has indicated that we in northern Ontario do not have unemployment as such. We have a lack of employment, really. I think Mr. Kilgour, when he mentioned immigration, probably indicated another great failing which we have, that if we want people for mines we have to have uneducated people. We educate our children and then they will not work for the wages they get in the mines. They will not undertake that type of work because it is very hard and very dangerous work. Our people will not undertake it. The mines were not built on educated people, they were built on immigration arrangements that brought in people who had absolutely no education and yet we have set our immigration standards to eliminate—from the bush operations in northern Ontario and the mining operations in Ontario—bringing in people to work in those two basic primary industries. So, we have a shortage of labour as far as a criteria is concerned, and yet at the same time we are stupid enough in northern Ontario to educate our children in such a way that they cannot stay in northern Ontario, and in this way they provide the basis for the exodus of a large work force to the areas that have received secondary industry.

Well, the federal government is again involved in that particular problem. As Mr. DelVillano said, if you gave him the gold that was produced in Canada and which we have in the treasury he would probably sell it for more than \$35 an ounce, and I am rather inclined to believe that he could. I think the \$35 figure at which we peg gold is unrealistic in terms of our economy. You cannot justify it except in a national sense. In other words, this has been one of our greatest assets in balancing our payments with the United States, because they will buy it at \$35 but at \$39 they might not buy it. At \$75 I am quite sure they would not be particularly interested.

Mr. WHELAN: May I ask you a question, Mr. Peters? If the price of gold was raised, then there would not have to be a subsidy paid to gold mining?

Mr. PETERS: Of course there would not. I would suggest that if the price of gold went up probably Mr. Delvillano would have a field day selling those claims he has been interested in for some time. I think in northern Ontario we could develop a gain of primary industry, but I think everyone will agree—and this is something that has bothered me—that it was people like myself who worked in the mines for many years and who put any earnings they had into the community that assisted in the development of social capital. As an example of this you now have cities like Kirkland Lake. If you want to use a very exaggerated example, take the case of Elliot Lake, which you and I are still paying for because we put in \$90 million to build houses that cannot be rented now because there is nobody there. However, we built the social capital and the investment has already been made by people and yet we now have no industry and we do not seem to be able to get any assistance from either the federal or the provincial government.

I would like to ask Mr. Kilgour what the effect would be if the criteria which the federal government is using were changed? I would like to say that in my opinion when this program was started we were not wrong in designating areas on the basis of unemployment because there was a great fear in the country that we were facing a recession. I think that every politician in Canada was terrified that we might have a repetition of the early 1933's, and for that reason I think every effort was made to eliminate what appeared to be a cyclic type of unemployment. This, of course, has now