

(b) to bring assistance to an end as scheduled at the end of 1951, leaving the mines with such additional income after that as they could derive from premium sales only; and,

(c) to require each mine to choose between selling its gold to the Mint and receiving assistance or selling to premium markets and not receiving assistance.

A second question concerned the form in which gold for premium markets should be exported. South African exports had been only in processed form apparently suitable for industrial, artistic or professional use. It would appear to be flouting the Fund's wishes to export mint bars or coin and it was recommended that any premium gold exports be in the form of non-monetary gold of 22 carat or lower fineness. It did not appear to be desirable to have any quotas on premium sales.

Of the three possible courses mentioned before, it was recommended that the third be adopted and that mines be required to elect in advance between selling their gold on premium markets or selling their gold to the Mint and receiving assistance. Under such a plan, the Mint would act as a custom refinery charging a toll for its services and holding gold in safekeeping until the mine produced firm orders for export or domestic manufacture. Export permits would be granted only to gold producers or their agents. Participating mines might form an agency to act for them and in such a case applications could be by the agency, which would have to show the source of gold to match against Mint releases. In cases of export to countries requiring licences for the import of gold, evidence would be required that an import licence had been obtained. All sales to domestic manufacturers or for export would be at the premium price. Exporters would have to follow Foreign Exchange Control Board regulations from time to time in force respecting currency of payment.

Under a scheme such as this, the low cost producers could be expected to choose sales in the premium market and the high cost marginal producers would elect to remain under the Assistance Act. probably about half of the mines eligible for assistance would come into the latter category.

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RG 2, A5a,  
Vol. 2648

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