

area which originally had been totally dependent upon gold and the emergency assistance.

It is very interesting to note, with the increase in the price of gold on the open market and the unfortunate—I think it is unfortunate from a Canadian point of view—unacceptability of the International Monetary Fund's plans to introduce a new economic unit, that gold may again be one of this nation's most valuable commodities. It may be that the fact we have spent \$300 million since 1958 in order to keep this industry in operation will keep us in the forefront in respect of any changes which may take place necessitated by the inability of the world to accept any international stability of currencies other than gold. The fact is that gold is now selling at \$100 an ounce. In some countries it is selling for considerably more than \$100 an ounce on unofficial markets. I presume it is worth more than \$100 an ounce in the United States where technically it is illegal for anyone to buy gold other than a numismatist. It is reported that such people are selling gold for upwards of \$200 an ounce. Not only is our silver being drained off, but also any coins we have been able to produce have found a ready market south of the border.

As has been mentioned previously, there is an indication that a world gold standard will be established. If a gold standard is established—and I think there are many reasons we in this country should hope it is not—it would obviously mean that Canada, so far as production is concerned, will probably be the third largest producer of this very strategic metal, either for industrial purposes or for the purpose of stabilizing international transactions. I would predict that if a world standard is established for gold, that standard will range somewhere around \$300 an ounce. It will mean that in the northern parts of Canada a great impetus will be given to the development of the gold mining industry, which over the past 20 years has been a liability to the nation and, in many instances, has been a liability to the community where the gold mine is located.

● (1530)

Personally, I am pleased that the act will be extended. I did not press in the committee, nor did other hon. members, for a change in the formula to include the production of new mining developments because of the uncertainty of the role that gold will play in the industrial and monetary markets of the world. I think that some progress would be achieved in the development of new mines in the northern areas if a stable price for gold were established for a long term and the fluctuations in the price were to cease.

It is a fact that our gold mines are not taking advantage of the provisions of this act. This act is an insurance against a calamity which may at any time occur in the international monetary situation, an insurance against any calamity that might befall the gold mining communities if the price of gold were to drop to the United States price of \$38. If the price of gold could be stabilized above \$100, obviously new mines would open. Money for development is readily available, but this money could not be expended in the amount that would be necessary for the development of existing properties and of other known deposits unless the investors also had the assurance that there would be a period in which they could use the floor price set in the act to wind up their operation.

#### *Emergency Gold Mining Assistance Act*

In northern Ontario—and I believe this is true of northern Quebec as well, with the exception of one or two new mines that came into production in the last four or five years—we are not witnessing the type of growth in the industry that we might have anticipated in view of the fact gold is now selling on the open market at from \$75 to \$90. I am sure that this has made much of previous mining development feasible. Therefore, there could be some merit in the government giving consideration to amending the act at a later date, in view of the possibility of new gold mines being developed throughout the northern area, which would provide those mines with the same type of safeguards that the Emergency Gold Mining Assistance Act provided to mines that were in existence before 1958.

I think that all hon. members representing gold mining communities sympathize with the position which the government has taken in not wanting to extend the act to include new producers. It has been the policy in Canada not to encourage the gold mining industry, but I suggest that if any long term stability in the price of gold is achieved in the international market so that there will be a steady demand, it will be a worthwhile project to encourage the development of gold mines and the extension of the communities in which they exist. Most of these communities are developed, at least to some extent. There are few known gold deposits in my area that are not within close proximity to already established communities, and therefore we are not envisaging a repetition of what happened 30 or 40 years ago when the total community was dependent on the gold mining industry. I suggest to the House that the assistant-deputy minister of mines, in conjunction with representatives of other departments, has made some progress in ensuring that gold mining communities are not wholly dependent on gold mining but are able to take full advantage of and receive full co-operation from, other departments concerned with development, such as the Department of Regional Economic Expansion.

Canadians no doubt are aware of the fact that although Canada does not hold gold, that although Canada has always transferred its gold faithfully to the United States, we have at present a small amount of gold in our mint to cover the cost of assistance under the Emergency Gold Mining Assistance Act which, if sold, would bring to the Canadian public a profit of probably well over \$1.5 billion. I am not suggesting that we do that. However, I am suggesting that in the total context of the Canadian economy and, the gold mining industry, the service that has been provided under EGMA to those communities that are totally dependent on the industry has been vindicated by the fact that the value of the gold which is now being held by Canada is far in excess of the subsidy that we have paid. If it is our wish to put small quantities of that gold on the international market, Canada not only stands to recoup the cost of the assistance which has been so kindly provided for those communities to ensure their survival but will also make a very nice profit, something that seldom happens with any other commodity that has been stored, either in the agricultural or the mining sectors.

I suggest that the Canadian people can rest assured that emergency gold mining assistance to date has been a blessing to those communities which have a large labour force predominantly in the upper age levels, often with a