

*Supply—Mines and Technical Surveys*

reserves of the Bank of Canada were transferred to the foreign exchange control board, and the 25 per cent stipulation was suspended.

This situation, brought about by the financial emergencies of the war, remains unchanged. There is no law currently in effect in Canada which calls for a percentage gold backing for our currency. The link between the Canadian dollar and gold is no longer direct.

Nevertheless the link is there. First, Canada, by subscribing to the Bretton Woods agreements, became a member of the international monetary fund, through which all currencies of member countries are related to gold. And secondly, in July 1946, the Canadian dollar was pegged at parity with the United States dollar, which in turn is very definitely linked to gold.

I am not suggesting that on the estimates of the Minister of Mines and Technical Surveys we should discuss these financial arrangements with respect to our country's currency. However, as the Canadian Metal Mining Association states, I believe there is some relationship and that the relationship, if it is desirable, would or should tend to direct consideration to the inflation that has taken place over the years in that industry so that the industry can continue to expand.

I think there are a few people in the chamber this afternoon who will agree with the statement that gold mining throughout the history of our nation has always supplied more than a small share of impetus to the development of new areas and new communities. These communities and areas that are dependent on the gold mining industry are now in a serious plight. It has become obvious to many of us, particularly those who represent areas that depend on mining, that the gold mining industry is a good example of what can happen but should not happen to an industry over which the government maintains such extensive control.

I think of municipalities like Matachewan. I have here a publication entitled "The Gold Mining Community", a study of the problems of economic growth in northern Ontario, put out by William Lougheed Associates, consulting economists, Toronto. They use as one of their examples the township of Matachewan. At page 21 of their brief they say this:

Matachewan lies about 30 miles southwest of Kirkland Lake and 50 miles southeast of Timmins. The community was launched on the wave of gold expansion in the thirties, experienced its greatest growth in the latter part of that decade, was incorporated in 1947, and has been hard hit by the gold slump of the last few years.

At one time the township had a population of two thousand, when the Young-Davidson and Matachewan Consolidated gold mines were operating. These closed between 1954 and 1956, and at the present time only Min-Ore Mines is operating.

This mine is also now closed, Mr. Chairman.

Population has decreased since the early war years by over one half, is now about 800. A quarter of Matachewan's 300-odd dwellings are

[Mr. Peters.]

unoccupied, and pressure of costs on marginal mining operations has made the municipality exceedingly poor in comparison to its condition before the war.

An estimated 25 per cent of the population remains tied to the remnants of gold mining, and an effort is being made to develop forest industries and tourism to take its place.

I think this is an example of a small town entirely dependent on gold. This is also true and will apply in the next few years to Kirkland Lake, Timmins and many of the other communities that have only gold mining as their principal industry. I think some consideration should be given to increasing the price the mines receive for their product. This industry is and will continue to be, as it has always been, a large importer of United States dollars to Canada, something which is of greater benefit at some times than at others but which at all times is advantageous. I think this industry should be given some further assistance, whether under the Department of Mines and Technical Surveys or some other branch of government that is designated to see that the future is brighter for this industry.

Canada needs the gold mining industry, and the communities which depend on it need the gold mining industry. But it will only grow if there is an increase in the return to the mines which will allow for the development of other areas. This will be spearheaded, and has always been spearheaded, by the prospecting and boom that take place following the discovery of gold in an area. Little prospecting is possible at the present time because of the price of gold. I think this is a matter of grave concern and should be given very serious consideration by the government.

I should like to ask a number of questions about the uranium industry. We have learned some very interesting things about this industry in the last few weeks. I am very anxious to read the conclusions which will be arrived at by the research committee of the house when they report on their deliberations. For this reason perhaps I should not go into the particulars of this situation. However, it seems to me that the charges made some time ago by some of the miners in Elliot Lake have substance. They feared that something was happening in the industry which was allowing Rio Tinto enterprises, in particular, to obtain a monopoly in that area. Of course some of the things we have heard in this house in the last few weeks would indicate that this is true.

It seems doubly surprising that the Leader of the Opposition should not be involved in this matter, because his area in particular is hard hit by this situation and any encouragement that can be held out to the miners and