

in fact a bargain. But the surprising thing to me is that within the past few days the price of nonmonetary gold has gone up to a high of approximately \$45, and now it seems to be settling back down at—the last figure I saw in Europe was \$37.

Now, it is my opinion that a price of \$37, or even \$44, is not going to be enough incentive for a substantial new gold mine development in gold. That isn't enough money. From our studies the number of gold mines that might open up at, say, a price of \$44 is very small.

Senator GRUENING. I share that view. But isn't it gratifying for the first time in many years to go back to the free enterprise system and the law of supply and demand. And since there is increasing demand, as your charts indicate, in various industrial fields, will that be beneficial to the gold miners?

Dr. HIBBARD. Yes. However, as I am going to say in my testimony, one of the basic problems with the gold industry has been the lack of research. The gold processing techniques which are used today, with two exceptions, are over 50 years old. And even under the conditions which have existed in the past 25 years I believe technology could have made an impact on gold production if it had been applied. I think the heavy metal program, which is a joint effort of the Geological Survey and the Bureau of Mines, will bear this out. Speaking as an individual, I can say that I believe that this program is going to multiply the domestic gold production by four.

Senator GRUENING. Now, Dr. Hibbard, you are leaving Government—regrettably, I must say—to go into the field of industrial research. Wouldn't it be very helpful if we could get the Government to help us in some research on how gold could be mined more profitably?

Dr. HIBBARD. In fact, this is the subject of a substantial program in the Bureau. And I believe that as the fruits of this program emerge industry will dig right in and do the research that is needed.

Senator GRUENING. We have here, as members of the committee, Senators who are representing gold-mining States. And because of the arbitrary restrictions which the Government has seen fit to impose to hold the price down to \$35 an ounce, gold mining has practically disappeared as a domestic enterprise. I hope, now that we have gone back to the free enterprise system and stopped this discrimination against one unique segment of the mining industry, that we may get a better deal for gold mining. And I am hoping that the Bureau of Mines and the Department of the Interior will cooperate in that effort.

Senator ALLOTT. Mr. Chairman, would it be possible to indulge me for a couple of remarks and maybe a question or two? I have an appropriations hearing also going on at this same time, and I am afraid I am going to have to leave.

Senator GRUENING. I think it is a privilege to hear you, Senator Allott.

Senator ALLOTT. First of all, Doctor. I want to join with the chairman in his remarks. I think it is very regrettable that you are leaving the Government. We were all very happy that you were with us. And we only regret that it wasn't for a longer time. I know that you will find great stimulation in private industry. And I must commend you for your very fine report on the Colorado School of Mines, which was very rewarding to many of us.