

*Gold Mining*

September 7 the secretary of the treasury of the United States, Mr. John Snyder, said that the United States would oppose any effort to lift the price of gold above the \$35 an ounce level that has prevailed since 1934. Therefore, Mr. Speaker, I am not underestimating the difficulties, but I do submit that the government must address the most strenuous efforts of which it is capable to seeking an increase in the world price for monetary gold. If that increase cannot be brought about by reason of intransigence on the part of the United States government, then other steps will have to be taken by this government to ensure for the Canadian gold producer an adequate price for his product, which is not available today.

The United States today holds \$22 billion of gold of which \$16 billion are needed for backing their currency. It seems to me that the Canadian government ought to take this problem to Washington without delay. It should state a policy designed to bring about by concerted action an increase in the price of gold. The alternative will be that Canada will have to seek more freedom to allow gold to reach its true value according to the law of supply and demand in the world. We ask the minister therefore, what is the government's policy in this respect? What representations has the Canadian government made to the international monetary fund in this respect? What efforts has the Canadian government made to enlist the support of the United States or other governments for an increase in the price of gold? What is the government's policy? A subsidy is made necessary in the present situation by reason of the failure to act in the direction of a long-term solution, but a subsidy cannot be regarded as a sound policy for anything more than a short period to meet an emergency.

This emergency does exist. Until effective measures of the kind I have been indicating have been taken, I suppose we will have to limp along with measures of this kind. At the best this type of measure supplies only an artificial expedient. It is an inadequate makeshift stopgap. It is discriminatory in its effects, and at the very best it is only partial in its remedial effects. I repeat what I submitted to the house last year, that the time has come when parliament must address itself seriously to a re-examination of the whole position of gold and of Canadian policy with respect to it.

**Mr. J. M. Macdonnell (Greenwood):** Mr. Speaker, I wish to add only a few words to what has been said, principally to underline the point made by the hon. member for Eglinton (Mr. Fleming) that the measure

before us does not really purport to deal in any way with the situation except as a palliative. Surely it is clear, as has been set out here this afternoon, that the gold industry has been through the decades—one might even put it longer than that—a very great asset to the country. In the 1930's it was one of the sheet anchors. It seems to me what is put before us is neither one thing nor the other. I was thinking of that well known remark by Churchill, which has been widely circulated. He was said to have asked the name of one of his backbench supporters. When he was told the name was Bossom he said, "Funny name; neither one thing nor the other." It seems to me that exactly describes this measure. It is not going to solve the problems of our gold mines. It is going to enable them to keep their heads comfortably below water, not above it. It does not really deal with the situation. Therefore I just wish to express the hope that when the minister comes to reply, these strong criticisms which have been made will be dealt with in an adequate manner, with some indication given of the real judgment and intention of the government on this point.

**Mr. G. M. Murray (Cariboo):** Mr. Speaker, the province of British Columbia was created as the result of mining developments in the Cariboo country, where gold was produced in large quantities. So I would not be fair to perhaps 2,000 voters in my riding if I did not say a word this afternoon in support of the measure now before the house.

I do not want to wander into the international sphere of monetary reform, because I would be in the greatest danger of getting beyond my depth. But it is really encouraging to hear members of all parties saying a good word for this legislation. Some of our friends over on the left do not speak that way out on the hustings. Some of them say we can get along without gold at all, that it is a wasteful product totally unnecessary in our fiscal system; that you can make money by using a fountain pen judiciously. Another of our friends over there is a follower of the late Karl Marx, who of course despised gold and directed most of his campaign against those who controlled gold in the world's markets. But we are realists in Canada; we know this great industry. Gold mining is also concerned with the defence of the country. Certain nations opposed to us have vast quantities of gold and silver, and are daily adding to those hoards. We could not do anything more useful to the economy of this country than increase our production of gold.

This subsidy will assist to a certain extent; it is a step in the right direction. If we think we can pay our debts in world markets with