

There is one other question I would put to the minister: Has the government out of the proceeds of gold which it has sent to New York establishing credits there, given exchange to certain persons or corporations, provincial governments, municipalities or anyone else, at rates of exchange more favourable than the prevailing rate? I think the committee would like to have that information. I have met many people in Canada who think that we should have that information. I do not know whether the minister can give it or not.

Mr. RHODES: As I told my hon. friend this afternoon, in the great majority of cases our export of gold was for our own purposes, but we have made gold available on occasion to provincial governments in part. Sometimes we have had to assist them by way of the purchase of exchange depending on the amount of gold available, but in all cases we have charged them the going rate.

Mr. POULIOT: If I understand correctly what was stated this afternoon, there is a certain amount of gold held in reserve as backing for dominion bonds, quite a large proportion of which are not guaranteed except by the resources of the dominion. Would it not be possible for the government to adopt bimetalism so that in this country we could have both the gold standard and the silver standard working together? That would be very easy in this country where we produce both gold and silver. Then the dominion currency would be fully backed not by something mythical but by something real, by gold and silver. This is a question which has been widely discussed. It is one with which I am sure both the Minister of Finance and the Prime Minister are familiar, and every member of the house will recall that the Minister of Trade and Commerce dwelt at great length with this question in the early part of this session and also last year. In times like these, if the only backing of the dominion notes was confidence, could there be much trade? I do not believe that confidence means so much in trade. Confidence in trade is the sentiment of one party that good business can be done with another party, but when one party gets practically nothing in return how can that kind of unilateral trade bring prosperity to a nation? I would therefore ask the Minister of Finance to study this important question of bimetalism with his distinguished colleague the Minister of Trade and Commerce in order that we may have a backing of both gold and silver for dominion notes.

Mr. IRVINE: We have had one of the most interesting discussions on the financial ques-

tion which I have heard in this house for ten or twelve years. I have been very much interested in this question both since I came here and before, and I am glad that at last it has become of such interest as to be discussed by hon. gentlemen who occupy the front benches of the opposition and to be answered seriously by hon. gentlemen on the front benches opposite.

We have had from the Prime Minister (Mr. Bennett) one of the ablest defences of the gold standard which I imagine could be put up. I do not wish now to prolong this discussion and weary the house with a dry as dust debate, but while the Prime Minister's speech was very able indeed, and while he raised every point that it was possible to raise in defence of the gold standard, I want to register my objection to his conclusions. I do not agree with them. I believe that in every fundamental point which he raised he was vulnerable. I believe that his argument could be not only successfully challenged by the facts but successfully refuted.

During the course of his remarks the Prime Minister pointed out that practically all countries of the world had adhered to the gold basis, and so forth. But it does happen that we have come to the time when nearly all the countries of the world have abandoned the gold basis because it has been discovered to be entirely impracticable. No matter how well it may have answered at certain times in the past, it has been unable to keep pace in its volume with the increase in the production of wealth in the various countries of the world. To imagine that you can increase your wealth and production ad lib, and not increase your gold correspondingly, and still have a gold basis, is on the face of it ridiculous. I cannot see why gold cannot be used for international balances as it has been used in the past without at all affecting our currency in Canada. I think that matter was involved in the question raised by the hon. member for North Bruce. In my view we are indebted to him for having brought up a matter which resulted in such full discussion. He spoke concerning the difference between the dollar and a bond, and answered his own question in that regard by saying that as far as he could see the dollar bore no interest, and the bond did. I am not satisfied with the Prime Minister's statement in reply to the hon. member for North Bruce. As a matter of fact, so far as the obligations of Canada are concerned there is no difference between bonds and dominion notes. She must pay a dollar for the dollar, and a dollar for the bond, just the same. But there is the