and the price of gold, the gold producing countries of the British commonwealth have carried the major part of the burden entailed.

As the price of gold is the crux of the problem, we would urge that attention be focussed on this crucial point in the hope that the Canadian government can help to set in motion action which will result in a price for gold which is (a), more commensurate with the cost of producing it and, (b), more commensurate with the greatly increased prices of all other commodities.

In another brief submitted to the government of Canada in October of 1952 by the Canadian metal mining association we find this at page 2:

We reaffirm our belief, previously presented to the government of Canada, that an increase in the official price of gold is a necessary step towards the permanent improvement in the conditions of world trade and offers the most effective solution of the problems which confront the Canadian gold mining industry.

And in another submission to the government on November 10 by the gold mining communities of the provinces of Ontario, Quebec, Manitoba and British Columbia, as well as of the Yukon and the Northwest Territories, we read this at page 10:

We have now come to our last suggestion,—

It will be understood that those who were representing the municipalities in those provinces had made other suggestions.

We have now come to our last suggestion, the only one which would be a permanent answer to the actual crisis: the devaluation of the dollar, or in other words the increase in the official price of gold from $35 to at least $45 per fine ounce.

If I quote at length from these briefs it is because I want to make it clear that in the opinion of those who are most interested and who, I presume, are best qualified to express an opinion, the only permanent answer to the present difficulties is a substantial increase in the price of gold.

The question asked by the hon. member for York West (Mr. Adamson) is this. Would the price be greater or less than $35? I say this question is well put. The dominating feature of the market for gold since 1934 has been the willingness of the United States government to buy it in unlimited quantities at the price of $35. Unfortunately it is too low a price for my liking. If gold were to be treated as an ordinary commodity, subject to the day to day influence of the market, I am told—and I so believe—there is a great danger that from a long-term standpoint the stable, monetary demand for it may be undermined, and that the United States and other nations may cease to look upon it as a monetary metal.

I agree with the hon. member when he says it is unlikely the United States would sell their present stock of gold at prices below $35 an ounce. But there is always the possibility that they would refuse to accept newly mined gold, or that they might sell what stock they do have when the price starts to rise above $35. This of course would entirely destroy the premium market.

Ever since the Canadian government decided to permit the mines to sell their gold on the so-called free market the premium on such sales has steadily dwindled, so much so that there is no premium now for bar gold. It is true that there is still a premium of approximately $2.50 an ounce for gold coins. But a recent Swiss court decision and the disappearance of premium markets for gold bars will have the effect of increasing the supply of coins at a rapid rate. There is also the cost of minting these coins, which has to be taken into consideration.

So the premium paid does not altogether accrue to the original producer of the gold. It is interesting to note that the total coins put into circulation during the entire time they were minted in Canada amounted to $3,480,000 in $10 gold pieces, $1,388,000 in $5 gold pieces and $3,139,000 in sovereigns, which were figured at approximately $5 each. This total was of course issued over many years, both good and bad; and even allowing for the inflation of prices in the meantime one could expect nothing like that amount to be sold in the space of, let us say, a few months or, at the most, one year.

At the moment conditions are prosperous. Faith in our currency is strong, and there are many alternative ways of holding earning assets. There is the further problem of issuing coins—these beavers—with a face value of an ounce, I understand. But, after all, people will understand that this face value is perhaps $35, and that the price would necessarily fluctuate. I am afraid that some people may buy those beavers at $37 or $38 and want to sell them, only to find that they receive only $35. In those circumstances they may blame the Canadian government for the drop in price. Under those conditions the premiums to be obtained, if at all, either in Canada or abroad, would not compare with the $3.90 an ounce given to the mine under the Emergency Gold Mining Assistance Act. Unless there is a further outbreak of inflation or some unforeseen development in the world situation it would not appear that a free market for gold pieces would add much to the revenue of the mines. Unless the United States attitude were to change or other developments were to take place in the world gold market, I am afraid this proposal might indeed have adverse effects upon the gold mines, more particularly those with a high cost of production.