

England to buy a hat you would likely be arrested; so it really is not currency. The result is that this association, shall we say, of international smugglers are making anywhere from \$10 to \$15 on the gold that is being sold by Canadian miners at the present time, and they say there is an absolutely unlimited market for it, whether it is in India, or even in China, for it is being shipped in large quantities to China at the present time. It must be borne in mind that all these European countries have no currency. They do not trust paper. And in the Far East the gold coin is a real possession. That is the reason we think there should be a higher price for gold.

If I might add one constructive suggestion, Mr. Chairman—

The CHAIRMAN: Certainly.

Mr. BIRKS: I would like to suggest for the consideration of this committee that we celebrate the Coronation year by coining discs of about one ounce,—call them “Elizabeth” if you will—certify that they are one ounce of pure gold, so many milligrams, and let us have a free market, so that people can come in here and buy them,—in fact, outsiders, resident and non-residents. Have a free market for gold. My impression is that they would sell for about 50 per cent above the regular price, because gold is in unlimited demand; and as a gold miner I am quite satisfied to stand or fall by a free market in the commodity, without any restrictions as to ownership or export or anything of that kind.

Hon. Mr. EULER: Could you do then without a Dominion subsidy?

Mr. BIRKS: Very easily, I hope.

Hon. Mr. KINLEY: They are doing that with silver. They are giving “Elizabeth” silver dollars as a premium now.

Mr. BIRKS: Yes. I would hesitate to produce coins of the value of gold dollars, that is to say \$35 or \$50 gold pieces. My suggestion would be that we just call them “Elizabeths” and make sure that they are one ounce of gold, certified by the Dominion of Canada or some other responsible authority, and let the people hold them.

Hon. Mr. KINLEY: The question was asked of me in the north country, why cannot we coin gold? What harm could it do to the country? I could not find an answer.

Mr. BIRKS: We do not know where a free market would put us. But if we coined a disc of this kind, so many milligrams, I think sooner or later the government would be glad to come and fix a fair price for gold. It might be best for all parties concerned. In the meantime we would gain what that commodity is worth, and it would bring, I am sure, all the hoarders in the world who are now hoarding gold definitely into the Canadian market, and we would have a free market here for gold that would be of world-wide dimensions.

The CHAIRMAN: In other words, bypass the smugglers?

Mr. BIRKS: Bypass the smugglers. That is exactly what we would do, sir. We would bypass entirely all these people who are now dealing in gold. I do not think that the mines are getting really a free market in gold. I think it is being operated by something approaching a cartel, or something to that effect. I am told that in France, where the biggest market is, they work somewhat on the principle of Lloyd's. When a gold shipment is available, one dealer says, “I will take 3 per cent”, another dealer says “I will take 6 per cent”, and so on. If we are dealing with the same people at all times I doubt if there is a free market for gold in the gold bar. Of course it takes an assayer to say whether a gold bar is 99-9/10ths pure. If you had a coin, a die and tossed it on the table, everybody would know it was pure, and take it accordingly.