

*Proposed Minting of Gold Coins*

gold is a probability in the near future. It is believed that powerful economic forces will eventually compel the United States to agree to an increase in the official price of gold, after other efforts have failed to check severe declines in prices and production and employment throughout the world. The expectation of a high price is an incentive which encourages the mines to continue operations and to prepare for the better days which it is believed are ahead.

However, such an increase in price may take longer to come about than we would like. Until such time as this increase is a reality, official assistance is essential. During the past six years the gold policy of the Canadian government has been found to be both just and fair. Most of the proposals put forward by those interested in the welfare of the industry, and of the mining communities dependent upon it, have been implemented. If all the proposals did not receive legislative sanction, it was not through any lack of sympathy on the part of the government.

Late in 1952, when it was made clear by the then secretary of the United States treasury that his government's policy was that there would be no increase in the official price of gold it was recommended by the Canadian metal mining association, by provincial associations and by the mining communities that the Canadian government should initiate action along the following lines. The marketing of fine gold should be permitted and encouraged by the following means. First, producers electing to sell on the premium market should be allowed to sell fine gold instead of the debased product. Second, fine gold should be minted in Canada for general purchase and sale in a form suitable to the market at a price to be freely determined between the buyer and seller.

In so far as the first recommendation is concerned, Mr. Speaker, we must remember that in the autumn of 1951 the Canadian government granted gold mines permission to sell on the premium market. In doing this the government of Canada was following the lead of South Africa, but with some important differences. No restriction was placed on the amount of gold which a mine could dispose of on the premium market, whereas in South Africa the gold mines restricted themselves to marketing no more than 40 per cent of their annual production in this way. In South Africa, also, the gold had to be debased to 20 carats or less. Since January 1, 1954, the Canadian gold mines have been permitted to sell fine gold on the premium market. This is in line with the first recommendation I mentioned. I am

told there has been no sale of fine gold in bullion form on the premium market since permission has been granted.

The second part of the recommendation that fine gold should be minted in Canada for general purchase and sale is fully covered by the proposed amendment suggested in Bill No. 173. However, even if we are anxious to have legislation adopted which we feel might be beneficial to the gold producers or the gold mining communities, it is our duty to make sure such legislation would have no adverse effects.

I must say that in listening to the remarks made by the hon. member for York West (Mr. Adamson) when he was moving the second reading of Bill No. 173, I was greatly interested in some of his arguments. I was particularly impressed by his remarks on how we would know what the price of gold would be. He asked whether the price would be greater or less than the present \$35, and then went on to say that the price for which gold would be sold was unimportant.

I say, Mr. Speaker, if Canada is going to take the initiative in sponsoring another way of disposing of our newly mined gold as suggested in this bill, that is by the minting of one ounce beavers, then the price of those beavers on the open market is of prime importance to the straight gold producers. This is especially true if we are to surrender other forms of assistance such as the Emergency Gold Mining Assistance Act in favour of this new method of disposing of our newly mined gold. We want to be reasonably sure that the price established by this means is at least as high as that received by the mines through the Emergency Gold Mining Assistance Act.

In each and every brief presented to the Canadian government in the past by the Canadian metal mining association, provincial associations or by the Canadian municipalities, it was always mentioned that the answer to the problem confronting the industry was the price of gold. In a submission to the federal cabinet in December, 1950, by the mining association of British Columbia, the mid-west metal mining association, the western Quebec mining association and the Canadian metal mining association we read the following at page 9:

For the gold mines, the crux of the problem is the price of gold.

It is fully appreciated that this is a highly complex subject, bound up with many international and economic intricacies, and one concerning which the Canadian government is not in a position to take entirely independent action.

We would however point out that as a result of the controlled and planned fixation of currencies