

—the value of the said gold shall be computed on the basis established by the Currency Act at the date of the relevant transaction.

This means that if the governor in council required a mining company to transfer to the Bank of Canada the gold bullion which it is now storing, the price at which it would be taken over would be \$20.67 per fine ounce, rather than the current price of around \$35 per ounce.

This would be probably too drastic a penalty to impose in a case of the kind we are considering—too drastic, that is to say, unless the country's need for the gold was immediate and urgent. On the other hand, after serious consideration I have not been able to think of any amendment to these provisions of the Bank of Canada Act which I would be prepared to recommend at this time, because I can see that there may be cases arising in future where it might be appropriate to apply the present provisions of that act. With this in mind, I am not proposing any action on this matter at the present time. I am content to defer action for the time being because any gold that is stored by mining companies will be in a few hands; we will know where it is and approximately what it amounts to. We can therefore take it into account as in some measure a substitute for a part of our official reserves and, finally, if the need should arise, we will be in a position to have it transferred to the Bank of Canada under the legislative authority I have mentioned.

I cannot refrain, however, from expressing the hope that we will not see a continuance or extension under present circumstances of this practice of hoarding gold and thus not allowing the current output of this monetary metal to become an acknowledged part of the country's essential exchange reserves. As hon. members will recall, parliament itself has approved within the past twelve months the Foreign Exchange Control Act, to permit the conservation and control of the use of our foreign exchange resources, and under that act it is necessary for us to maintain restrictions on many types of capital transactions. If this were a world which was not suffering from the consequences of two great wars in one generation, it would probably be possible to permit complete freedom for companies and individuals to speculate in foreign exchange, foreign securities and gold. Unfortunately, it is not that kind of world. We simply cannot afford at present to see widespread speculation in foreign exchange and foreign securities, nor widespread speculation in gold, which is the equivalent of foreign exchange. In so far as we can secure the sensible cooperation of

business men and investors, it is possible to get along with a minimum of restrictions and controls. I trust that public opinion itself will be a potent force in determining what type of action is considered reasonable under given circumstances, and that that public opinion today will serve to a considerable extent to dissuade individuals or groups from attempting to make unproductive and speculative profits by exploiting the international difficulties that various countries face in these times.

[Later:]

On the orders of the day:

Mr. L. W. SKEY (Trinity): Can the Minister of Finance give the house any assurance that Canadian gold mines will receive notice or warning before the threatened imposition of the Bank of Canada regulations are brought into effect against them?

Hon. DOUGLAS ABBOTT (Minister of Finance): I think the gold mines in question had better take my statement today at its face value and govern themselves accordingly.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 273, for the relief of Eileen Maude Gardner Richards.—Mr. Maybank.

Bill No. 274, for the relief of Frances Audrey Gray Lacaille.—Mr. Maybank.

Bill No. 275, for the relief of Aline Theoret Larose.—Mr. Maybank.

Bill No. 276, for the relief of Margaret Betty Rollings Burman.—Mr. Maybank.

Bill No. 277, for the relief of Beatrice Dorothy Pountney Alker.—Mr. Maybank.

Bill No. 278, for the relief of Margaret Jean Duff Dorval.—Mr. Maybank.

Bill No. 279, for the relief of George Somerville Blackie Begg.—Mr. Maybank.

Bill No. 280, for the relief of Lillian Guerasio Galardo.—Mr. Maybank.

Bill No. 281, for the relief of Stewart Davidson Myles.—Mr. Maybank.

Bill No. 282, for the relief of Dorothy Bradford Hurley.—Mr. Maybank.

Bill No. 283, for the relief of Elsie McCormick Albers.—Mr. Maybank.

Bill No. 284, for the relief of George Wilson Dyce.—Mr. Maybank.

Bill No. 285, for the relief of Rita Johnson Cherrier.—Mr. Maybank.

Bill No. 286, for the relief of Esther Cole Zeesman.—Mr. Maybank.

Bill No. 287, for the relief of Celia Yaffe Dubinsky.—Mr. Maybank.