

forget at this moment what I owe to the confidence of the Canadian people over so many years. That is perhaps the greatest of all the rewards of public life and service.

Mr. Bracken, as leader of the Progressive Conservative party, I thank you very warmly for what you have said and for the hearty manner in which your words have been supported by members of your following. To you, Mr. Coldwell, may I say the same. I shall always remember what you have said, and equally the cordial manner in which those who sit around you applauded your words this afternoon. I thank you, Mr. Low, for your good wishes, and also for the generous support your followers have given your kind words. I thank you also for your reference to the political horse I have ridden over the years. My friend Mr. Breithaupt, who comes from the county in which I was born and represents it so splendidly in this house, knows that I began quite early in life—I think it was perhaps before he was born—to ride a horse. I learned something about how to ride horseback personally and politically in the old county of Waterloo. One of these days I intend to return to the county which I first represented in this parliament and express my thanks for the teaching I received at that time, which has stood me in such good stead through all these eventful years. To my colleague Mr. Fournier, I am deeply grateful for reminding the country of how much I owe to my French-Canadian compatriots.

I should like, Mr. Speaker, to be able to express my thanks fully but you and all will realize I am sure that this is a moment when it is difficult indeed for me, after listening to what has been said this afternoon, no matter how long I may have been in parliament and in public life, to find words with which to express what is really deepest in my heart. I can only thank you, my fellow members of the House of Commons one and all; this I do irrespective of party; this I do with all my heart.

I hope I may be excused if I now leave the chamber. As my colleague the Minister of Veterans Affairs who is leading the house has just said, I am to join His Excellency in meeting the President of the United States and greeting him on his arrival. That will be in less than a quarter of an hour. Again I thank you all and say God bless you.

#### REPORTS OF COMMITTEES

Fourth report of standing committee on external affairs.—Mr. Bradette.

Third report of standing committee on agriculture and colonization.—Mr. McCubbin.

Fifth report of standing committee on standing orders.—Mr. MacLean.

[Mr. Mackenzie King.]

## GOLD

### STORAGE OF BULLION BY MINING INTERESTS

Hon. DOUGLAS ABBOTT (Minister of Finance): A short time ago the hon. member for Rosetown-Biggar (Mr. Coldwell) asked the following question:

In view of suggestions made in the house for the devaluation of the Canadian dollar or an increase in the price of gold, and Canada's need of American exchange, what action does the government propose to take regarding the storing of large amounts of gold bullion by the McIntyre-Porcupine Mines Limited, or other mining interests who may be adopting a similar policy?

I have given very careful consideration to the problem raised by this question. There is no law on our statute books which specifically prohibits a gold mining company from withholding, or delaying to ship to the Royal Canadian Mint, a part or all of the gold currently produced by the mine. The only law relating to the subject appears to be subsection 2 of section 28 of the Bank of Canada Act, which was passed by parliament in 1934. Under this subsection, the governor in council is given power to require—

—every chartered bank or every other person to transfer to the bank—

That is, the Bank of Canada.

—any or all gold coin or bullion held in Canada which is owned by such chartered bank or by such other person.

The subsection goes on to authorize the governor in council to take—

—all measures deemed necessary or expedient to enforce any such transfer and to impose and recover penalties in respect of any neglect or refusal to make any transfer so required.

I believe that the government could take action under this authority, if the situation appeared to warrant it. It might, of course, be urged that what the mines have been shipping to the mint in the past and what some of them are now storing is not gold bullion but, say, gold concentrates or gold in some other unrefined or partially refined form. However, this contention could hardly be successfully supported in most cases, and particularly in cases where the parcel deposited consists of gold which has been refined to a fineness of around eighty per cent.

There is, however, a rather serious difficulty or objection in applying the above provision of the Bank of Canada Act to the type of case which is now in question. This difficulty arises from the very severe penalty which has to be imposed when the provision is put in force. Section 29 of the Bank of Canada Act provides that where gold is transferred to the Bank of Canada under the previous section—