

to gold, which I think is fairly satisfactory after four years of war and in comparison with Great Britain and even the United States. It is, however, advisable that our gold reserves should be gradually built up until our note circulation is covered substantially as it was before the war. The advantage of this measure will be that the Government will be able to prevent the export of gold attracted by the higher rate of exchange in New York, which would result in the depletion of our gold reserve.

Mr. CAHILL: About how much gold have the banks on hand? I saw a statement issued by the Finance Department to the effect that the banks have about \$10,000,000 in gold on hand.

Sir THOMAS WHITE: I put a statement on Hansard a couple of weeks ago giving full information as to the gold holdings. I think my hon. friend is inaccurate in his statement as to \$10,000,000 being the amount. I think he will find that, between the Dominion Government and the banks we are holding about \$30,000,000 more than when the war broke out. Our reserve position is a very good one.

Mr. CAHILL: But how much is held by the banks alone?

Sir THOMAS WHITE: I have not the figures here, but I think it is about \$100,000,000. I would not commit myself, however, because I have not the figures.

Mr. CAHILL: If the banks have \$100,000,000, the Government would have only about \$20,000,000.

Sir THOMAS WHITE: Oh, no. There is over \$200,000,000 of gold. I can ascertain the amount of gold held by the banks for my hon. friend, if he desires it.

Mr. CAHILL: My point is that if the banks are not holding any appreciable amount of gold what is the necessity of this legislation?

Sir THOMAS WHITE: They are holding a very substantial amount of gold—in excess of \$100,000,000, I think.

Mr. SINCLAIR (Guysborough): I suppose this legislation will not interfere with the marketing of gold by producers in Canada. There is not much gold-mining carried on at the present time in Nova Scotia, but our market in former years was the United States. I understand that the Finance Department will purchase gold from any producer in Canada who wishes to sell at the market rate. The point the

gold-mining companies make is that while the price of wages, machinery, coal, and every other factor that enters into gold mining has gone up enormously, the price of gold itself has not gone up, and in that way the industry is unprofitable whereas formerly it was profitable. Will the producer get as good a price for his gold as if the United States market was open to him?

Sir THOMAS WHITE: My hon. friend must have been out when I made an explanation some time ago, in which I said that we had granted licenses to gold-mining companies to send their gold to the United States to be refined and sold there, because they could get a premium in New York funds. I stated, further, that in order to build up our reserves the Finance Department was following the policy of buying from companies producing gold in Canada, and paying them in New York funds.

Mr. McMASTER: I suppose the Government does not pay the full premium, because it will cost something to take the gold down there. That is allowed for, I suppose?

Sir THOMAS WHITE: I think we have paid the full premium. It is desirable that the gold-mining companies should be able to sell their product in Canada; otherwise, we should lose the benefit of the gold produced. I am not quite sure as to the precise principle on which the deputy minister calculates the amount we will pay. What we desire to do is to place the gold-mining company in as good a position as it would be if it sent its gold to New York, had it refined there and sold it.

Resolution reported, read the second time and agreed to.

Sir THOMAS WHITE moved:

That the amendment referred to in the resolution just reported, and which has been concurred in, be considered in connection with Bill No. 27, under Order No. 14, when said Bill is being dealt with by the House.

Mr. LEMIEUX: That means that this will be incorporated in the Bill?

Sir THOMAS WHITE: Yes.

Motion agreed to.

#### EXCESS CIRCULATION CHARTERED BANKS.

PROCLAMATIONS UNDER FINANCE ACT, 1914, TO CONTINUE IN FORCE.

Bill No. 27, to provide for the continuance in force of a certain proclamation made