

answer to a question by Senator Bosa relating to the price of 1980 silver dollars. Is it agreed that it be taken as read?

**Hon. Senators:** Agreed.

**Senator Bosa:** May I have a copy of the three pages so that I do not have to wait until tomorrow to read the reply?

**Senator Frith:** I am sure I can arrange that, if it is important for the honourable senator to have it this evening.

The answer is:

As a matter of policy and in practice, the Royal Canadian Mint establishes the prices of its numismatic products with the view to fully recover its manufacturing, marketing and distribution costs and provide for a reasonable profit margin. A major cost factor is the price of the precious metals contained in the coins.

Prior to 1979, the precious metals markets had been fairly stable, particularly with respect to silver, with the results that the price of numismatic coins containing silver was only adjusted annually to absorb the inflationary increases. Also, because of the metals markets stability, the practice had been to establish the prices with respect to any year, in the fall of the preceeding year as an integral part of the annual budget approval process. Consequently, the price established for 1978 would reflect the average cost of metals in the latter part of the preceding year and so on.

For 1979, in the case of the silver dollars, the selling price of \$5.50 was established on the basis of a silver price of \$6.50 per ounce in the latter part of 1978. However, as the price of silver rose throughout 1979, the intrinsic metallic value of the silver dollar eventually exceeded the selling price of the coin, and the consumer (including several speculators) demand rose dramatically. Coins were being hoarded by speculators in large quantities because of their intrinsic value. By September 1979, silver had reached \$20.60 per ounce, which meant that the value of silver in a coin had increased by \$5.30. Rather than stop production and sales, the Royal Canadian Mint increased its selling price from \$5.50 to \$10.80, a difference of \$5.30 thereby passing on the increase in metal costs to the consumer in order to complete the 1979 sales orders to new clients and coin dealers, and consequently the Mint had a smaller percentage of profit margin.

Because of the continuing mercurial nature of the silver market in the latter part of 1979 and early 1980, the launching of the 1980 Canadian numismatic coin program was delayed to February 1, 1980, at which time the sales prices were established to reflect the average price of silver at that time, which was \$43 Canadian per ounce. The selling price of the 1980 silver dollar was then set at \$22 in line with the silver market, and to absorb the replacement value of the silver consumed in coinage. (In January, silver had reached a high of \$59 per ounce (\$50 US).)

While the silver market has fallen dramatically since and for reasons which have been well publicized, the

consumer demand this year for silver dollars at \$22 compares reasonably well with the demand in the same period in previous years for a much lower priced coin. Also, it is absolutely necessary to set the selling price at the beginning of the program because these coins are sold through a mailing list of approximately 250,000 names and also through advertising in various newspapers and magazines.

### CANADA-FRANCE TRADE AGREEMENT ACT, 1933 SUPPLEMENTARY CANADA-FRANCE TRADE AGREEMENT ACT, 1935

#### BILL TO REPEAL—SECOND READING

The Senate resumed from Thursday, April 24, the debate on the motion of Senator Godfrey, for the second reading of Bill S-5, to repeal the Canada-France Trade Agreement Act, 1933 and the Supplementary Canada-France Trade Agreement Act, 1935.

[*Translation*]

**Hon. Guy Charbonneau:** Honourable senators, Bill S-5 asks for the repeal of the *Canada-France Trade Agreement Act, 1933* and the *Supplementary Canada-France Trade Agreement Act, 1935*, consequential on the denunciation of the Canada-France Trade Agreement and the Protocol to that Agreement by Canada; under that denunciation, the Agreement and the Protocol expired on March 15, 1978 in accordance with clause 17 of that Agreement.

This bill has now been introduced for the fourth time and really deals only with the mutual protection of vintage wines produced in Canada and in France. Those agreements having expired on March 15, 1978, the bill will regularize a situation existing since then.

Senator Godfrey made a very interesting statement on the matter a year ago. In addition, last Thursday he suggested, and I agree, that everything which can be said about the bill has already been said. I therefore second his proposal that the bill be immediately passed without being referred to a committee.

[*English*]

Motion agreed to and bill read second time.

**Hon. Royce Frith (Deputy Leader of the Government)** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

### IMMIGRATION ACT, 1976

#### BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. P. Derek Lewis** moved the second reading of Bill C-2, to amend the Immigration Act, 1976.

He said: Honourable senators, while Bill C-2 is short and simple in form, its object and consequence are quite important and urgent with respect to the refugee program in this country.