

*Olympic Financing*

The fact is that the coin with the greater amount of gold will be thicker, and heavier. That is obvious; gold is not the lightest of materials. It will be better finished. It will be earmarked for a specific market. Canadians will have the choice of buying either the \$100 coin for \$110 or \$115 or the coin with, admittedly, a lower gold content designed for a specific Canadian European market. We do not hide the fact that one will contain more gold and will sell for a higher price.

Just changing the design on these coins will not prevent counterfeiting. One might convince someone that the design of the \$100 coin is really the design of the \$150 coin, if one is a smooth enough operator. One might say that this design is the other one. This by itself will not prevent counterfeiting, nor do we intend it to do so. We have never hid the fact that we are out to produce two coins, one for the numismatic market, which is not common to Europe but it includes many hundreds of thousands of Canadians. Nor is the other one limited to Canadians. The one significant thing in most cases is that they are coins of the realm. For the protection of the Canadian people, these coins are worth \$100, and if and when they wish they can go to any bank and exchange them.

We are not deceiving Canadians, any more than it could be said that we are deceiving Canadians with a \$10 bill simply because the paper upon which it is printed happens to be worth about 22 cents. Perhaps \$40 million or \$50 million per year goes into the Canadian treasury from what we call seigniorage, which is different from the production of coins, the value of the raw material, the value of the overhead, the value of the operation of the Mint and the value of the coins which disappear from the country. The face value at which we sell the coins to the banks adds up in some years to \$50 million to \$60 million; I think in 1968 the figure came close to \$90 million.

The Mint is there to operate, if not at a profit, then to cover its expenses. It operates at a profit, which is to its credit. Let us not have any illusions that when we pay for a 50-cent piece we are getting 50 cents worth of metal, because we are not. When we buy a \$100 gold piece, we will not receive \$100 worth of gold, as the hon. member suggested should be the case. We have overheads in production, we have marketing and we have all the other expenses, and we must have a respectable profit to turn over to COJO.

We do not intend to make fools of ourselves by whittling down the quantity of the gold. If we did that, the profit would be enormous but we would not be able to sell the coins to people who buy with a degree of speculation in mind. So we have to hit the happy medium. The reason we need flexibility is that quite conceivably next year the price of gold will fluctuate wildly and we have to make the same type of decision that we made with series No. 2 of our silver coins. We decided to maintain the quantity of silver; however, we had no alternative but to raise the price of series No. 2 over series No. 1 which, hon. members may recall, was sold at face value. That is because the silver, which sold at \$2 an ounce, sold at over \$4, necessitating a hard choice between reducing the quantity of silver, reducing the face value of the coin or maintaining the silver content and increasing the face value. We opted for maintaining the value of our coin. That is what I have

said we will do if we are faced with a similar situation. It is exactly what I have said, so I resent the inference that I have something to hide. There is nothing to hide.

● (1600)

I stated clearly in committee that I was in the hands of the committee. I do not underestimate the committee; there are no robots there. The hon. member for Vaudreuil (Mr. Herbert) had a point of view different from mine, but it was his right and privilege to express it. If they want to bring in their own amendment, that is the right of the committee as it would be the right of the House. I must say to the hon. gentleman that he would have made a better case had he presented it more positively. I recommend that motion No. 1 be rejected, Mr. Speaker.

**Mr. Max Saltzman (Waterloo-Cambridge):** Mr. Speaker, I came to this debate in a semi-disinterested fashion since I have not been part of it to date. The hon. member for Nickel Belt (Mr. Rodriguez) has presented our party's position. I have usually determined the attitude I am going to take on an issue, so it was rather refreshing to come in and listen to the argument put forward by the mover of the amendment and the defence of the minister. I must say the minister lost. I do not see that he has made much of a defence, and my inclination is to vote for this amendment unless he puts forward a better explanation. The minister is one of the most persuasive and likeable members of this House, but he was not terribly persuasive today.

The minister says this program is not going to cost the people of Canada anything. Perhaps not in the sense that we are going to raise any taxes for it, but if the people of Canada are paying a phenomenal subsidy they are forgoing revenue which would have gone to the Mint. It makes no difference if you pay the money out of taxes or give up your rights to revenue; it amounts to the same thing in the end. While I am not complaining about the need to assist the Olympics, I do not accept the argument the minister makes that it is not costing the people of Canada anything. It is.

The Minister equates the integrity of the silver coinage with the gold coinage, but he is comparing two different things. If you are putting out a \$5 silver piece, people are not going to trade that coin for the silver content. But you are not talking about a \$5 piece; you are talking about a \$100 piece, and it is going to be traded as gold, not as coinage. People are not going to walk around with gold coinage in their pockets and cash it in for underwear; it is going to be an item of speculation because of its beauty and gold content. You cannot equate money circulating for its face value with what will happen to gold.

This raises the question of the integrity of the coinage. The minister seemed to be terribly concerned about that. While there may be some debate and some speculation on a \$5 piece, there will be a great deal on a gold coin. If you keep varying the amount of gold in the coin in a way that is not obvious to the people who buy it, then Canadian coinage will be discredited. The situation will be open to unscrupulous people offering the coins at bargain prices. That is what will happen, and who will be blamed? The dealer will not be around, so the people of Canada will be blamed. I presume anyone with that kind of complaint,

[Mr. Mackasey.]