

Mint and Currency

in the production process and to the size of the coins. For example, size changes of up to 10 per cent would be permitted. There are no restrictions on the type of metal used to produce a coin, only that the colour of the coin must remain the same.

The amendments allow the Mint to respond quickly to cost changes in metals, thus guaranteeing a positive seigniorage—the difference between the cost of production and the face value of the coin—to accrue to the Consolidated Revenue Fund. Finally, they would allow the Mint to effect these changes through Order in Council rather than having to come before Parliament in the form of special legislation. Today, with all the Orders in Council that go through, I do not know whether that is speeding up the process. However, we certainly do know that if it had to rely on the House of Commons for flexibility, it might wait a long time with the amount of business and priorities given to particular pieces of legislation.

Because the international market in precious metal coinage is very competitive, the Mint wants flexibility to respond to changes in the market and to mint new precious coins. That in part is related to what I said a while ago, that the Mint has no control over the cost of these metals and, therefore, from time to time it may have to change to another metal or to another coin in order to remain competitive.

The Bill proposes a general authority to go into precious coin production, which is another step forward. It gives the Mint added initiative.

In addition to all of this, we have an increase in the board of directors. At present we have seven members on the board of directors of the Mint, but it is overloaded with public servants. The thrust of this particular amendment is to allow the government of the day to go out into private enterprise and into other industrial areas of Canadian life and pick people to go on that board. I would hope that, since this is the beginning of the increase in the board—and these amendments provide for that increase—serious thought will be given to the appointment of these people now. Those four additional positions on the board of directors of the Royal Canadian Mint should be filled in the future by well qualified, well trained, experienced people. They should not be used as patronage positions for people who are looking for a little fame for the moment. Given the record of the Royal Canadian Mint and its expertise, and considering what it has given to Canada with respect to coins and money abroad, it is very important that these people be well qualified for those positions and that they always have the best interests of the Royal Canadian Mint at heart.

I think this is a good step as a follow-up to 1976. Perhaps the Parliamentary Secretary would have a few more words to say about the \$40 million capitalization before we close off debate. The authorized capital of the Mint is \$40 million divided into 4,000 shares of \$10,000 each. The Government, through the appropriate Minister, is permitted to buy those shares. Under what conditions would that happen? Under what conditions would the Mint want to buy them back from

the Government? What triggers these sorts of things? I wonder if the Parliamentary Secretary could give us an example of how this would operate, because I think it is very important. We know that when Crown corporations need money, the Government of Canada is there and it has a certain onus to lend these corporations money.

It also gives the Mint the opportunity to go into the private market-place to borrow up to \$50 million. We would like to think, however, given the positive financial picture of the Mint at the present time, that this will not be necessary, especially if the markets of the world continue to treat us favourably, if the Canadian Mint remains competitive to the extent I mentioned earlier, if its expertise is well used, production is on target and quality is good. We certainly must mention quality here. The metals must be absolutely pure, flawless. They are simply not used if they are not. We must compliment the people in the Mint who have implemented quality control as part of their job. Obviously they are doing a very good job in this area.

• (1630)

I leave these questions with the Parliamentary Secretary. What would trigger the purchase of shares from the Royal Canadian Mint by the Government of Canada through the appropriate Minister? What would trigger the Mint to buy them back, other than perhaps their being a bit more flush at that time as opposed to others? Are there any other factors to be considered?

I hope that it will not be a case of the Government buying a number of shares with the hope of having more control over the operations of the Mint since these people have been doing a good job. We want them to be free to exercise their goodwill in the international market-place as well as their ability to sell as long as they keep their good record which they have had until now.

Through you, Mr. Speaker, I would like to congratulate all personnel at the Royal Canadian Mint for the tremendous job they have done over the years. I hope that through this Bill and through other activities they will be able to gain a higher profile in the public domain so that the people of Canada will fully appreciate just what kind of people we have working in that Crown corporation and, indeed, others in our Government who do not always get the just rewards and compliments that they deserve.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is a pleasure to be able to speak today on Bill C-46, an Act to amend the Royal Canadian Mint Act and the Currency Act. As I understand it, the Royal Canadian Mint operates under three Acts, the two Acts to which I have already referred and the Financial Administration Act, an Act with which all organizations in the Government are required to deal.

We in the New Democratic Party have no quarrel at all with this particular legislation. However, we do want it to go to committee. I suggest to the Parliamentary Secretary that with a little preparation we could probably pass it at just one