

*Adjournment Debate*

national mints in other countries, because that is the competition on the national markets. They comment that when the Royal Canadian Mint decided to seek aggressively export orders after completion of the new Mint in Winnipeg, they indicated to the Sherritt Mint that they felt the Sherritt Mint should quietly vacate the export field and leave it entirely to them. They go on to say that they think the Royal Canadian Mint is competing with the private sector.

Another mint I have a letter from is the Lombardo Mint, located in Sherbrooke, Quebec. They point out another kind of conflict in that they were receiving help from the Department of Industry, Trade and Commerce which was trying to help them obtain contracts for minting coins. They say they almost succeeded in obtaining a very large order from the Bank of Mexico; unfortunately they were not successful for some hang-up reason with the Canadian government and a German company got that contract. However, they found that the Royal Canadian Mint was competing with them, and they think the Canadian government should be giving the private industry the opportunity rather than competing with the private sector. There is not only competition in coinage, Mr. Speaker. There are many other things mints make, including medallions and other things that souvenir hunters like to collect.

The second part of the question asked whether adequate steps had been taken to ensure that Canadian taxpayers will not be subsidizing coinage in other countries. There were seven other countries involved and six and a half million coins in this particular contract. All too often the Canadian government gets into enterprises which it finds unprofitable, and of course the taxpayer ends up carrying the load. The minister's answer to that part of the question was that there was no reason why the Royal Canadian Mint should not make maximum profits out of its operations, and then the minister goes on to speak about competition.

I should like to refer to the latest edition of the public accounts of Canada, 1976, wherein the financial statements of the Royal Canadian Mint are contained. It is true that in 1974 and 1975 the Mint made a profit; \$1 million in 1974, and close to \$3 million in 1975. However, I think it is interesting to note that on the income side in 1975 only \$675,000 was attributed to foreign contracts. Other sources of revenue were domestic coin, numismatic coin, Olympic coin and refining. Foreign contracts contributed to gross revenue only to the extent of \$675,000. Unfortunately, due to the manner in which the accounts are kept there is no way that one can tell whether a particular contract, and especially these foreign contracts, contributed or detracted from the operating results of the Mint. In any event, the Government of Canada has an equity investment of some \$31 million in the Mint, and the return of \$3 million is hardly what one could describe as being overly generous.

**Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services):** Mr. Speaker, I shall try to take the remarks of the hon. gentleman in the order in which they were presented. He did, indeed, on March 31 ask whether or not

[Mr. Clarke.]

Shaul Eisenberg had acted as an agent in any respect in connection with the Royal Canadian Mint for the sale of coins or blanks. At that time the minister replied that he did not think the question was serious. To the extent the hon. member wishes the department, myself or the minister to take that question seriously, then I will do so right now. The answer is that Mr. Eisenberg has not and does not now act as an agent for the Royal Canadian Mint. I will not make any reference to the future.

With respect to the comments in terms of competition between the Royal Canadian Mint and private companies in Canada, the hon. member may have been a little bit selective in his comments with regard to the Sherritt Mint. I have before me an article which appeared in the *Financial Post* magazine of March, 1977, in which, taking up that very question of competition between the Royal Canadian Mint and the Sherritt Mint, the president of Sherritt Mint, Mr. Pearce said:

"I'll have to be a little more nimble, perhaps," he allows. He also looks forward to occasions when Sherritt and the RCM may be able to co-operate profitably and cites a case where they have already done so.

With respect to the Lombardo Mint, I think the answer is obvious that whether Lombardo had been bidding on a particular contract from Mexico or whether the Royal Canadian Mint became involved or not made no difference. The contract went to Germany.

With respect to the hon. member's remarks on subsidization of foreign currencies and whether the Canadian public is in any way subsidizing costs of production through the Royal Canadian Mint, the answer is no. All contracts undertaken by the Mint are usually at a profit and where not, on rare occasions, may be at cost. On those occasions they are accepted in order to keep employees on staff and utilize the facilities of the Mint and the maximum number of employees possible.

It is well known that the Royal Canadian Mint enjoys one of the highest reputations around the world for the quality of its production and its ability to undertake and successfully carry out large programs, as was done for the Olympic coin program. That the Royal Canadian Mint is successful in obtaining lucrative foreign contracts is a compliment to the efficiency of its operations. To the extent that the facilities which are already existing for the production of our own Canadian currency can be utilized to serve the requirements of other clients in an open competitive market, there is no reason why the Mint should not optimize its production and maximize its profits. In this way full use is being made of existing facilities and continuing employment opportunities are ensured for a significant number of Canadians.

Another important element is the impact the Royal Canadian Mint activities have on other Canadian industries which are in the business of processing raw materials or manufacturing by-products for Canadian and foreign consumers. It follows, therefore, that the successful ventures of the Royal Canadian Mint in the foreign markets are not only beneficial to the Mint but also to other important sectors of Canadian industry.