

Proposed Minting of Gold Coins

discuss that. I merely wish to reiterate what I said the other day, that I profoundly disagree with the suggestions made by the hon. member for York West.

The purpose of this bill, I believe hon. members will agree, is to enable gold to be prepared in such a form that it will be acquired and hoarded by residents of Canada. It is for that reason that I, as Minister of Finance, and the government feel bound to oppose any such measure.

One can view gold, as did my friend the hon. member for Villeneuve (Mr. Dumas) in his excellent and thoughtful speech, either as a commodity or as an essential monetary metal whose purpose is to serve in the settlement of international balances. The view of the Canadian government, of the government of the United Kingdom, of the United States and of every other great trading country is that the main purpose of gold is to serve as a monetary metal for the facilitating of international exchanges. It has, of course, important subsidiary uses in the arts; but if it were not for the fact that gold is acceptable to the great trading nations of the world in settlement of these international balances, I believe we would find that the market for gold would shrink rather drastically.

Historically, it has maintained its position as a monetary metal because it has had a fixed price, and because the treasuries all over the world have been willing to take it in unlimited quantities at a fixed price in settlement of trade balances. It is for that reason that the Canadian government has felt that a policy which would destroy the position of gold in that respect would be inimical to the interests of the gold mining industry itself. Canada is, of course, as we all know, a great trading country and we have a great many things which we want to export and sell. Conversely, we have to import and pay for a great many things which are necessary for the operation of our economy. We believe therefore that gold which is mined in Canada should not be kept and hoarded by individual Canadian citizens, but should be available for the settlement of Canada's international trading balances. If it is not available for that purpose, then so far as I am concerned it ceases to have any economic justification.

It is true that under international agreements we have with other countries, and according to practices which we have agreed upon with other countries, the domestic hoarding of gold is prohibited. It is prohibited in the United States, it is prohibited here, and it is prohibited in the United Kingdom.

The measure proposed by the hon. member would in my opinion be of no real help to the gold mining industry in Canada, and were it adopted it would obviously be quite impossible for the government to continue to assist the gold mining industry to the extent of \$15 million per year, as we shall be doing this year. If a policy of this kind were adopted I do not think we could possibly justify to the taxpayers of Canada the continuance of such a policy.

I have always felt that the greatest danger to the continuance of the gold mining industry in Canada was that countries such as the United States and other great trading nations would decide that they no longer wished to exchange for gold United States automobiles, United States steel or United States what-have-you or British steel or British what-have-you. I think it is extremely important, in the interests of the Canadian economy as a whole, that we should frame our gold policy in such a way that we run no risk of incurring that highly undesirable result.

For reasons which I have mentioned, Mr. Speaker, I would have to oppose the adoption of this bill.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Mr. Adamson: No. May I call it six o'clock, Mr. Speaker?

Some hon. Members: No.

Mr. Abbott: Go ahead. The hon. member can finish in ten minutes. He has already spoken for 40 minutes. He can finish in ten minutes, can he not?

Mr. Knowles: He can speak for ten minutes now and speak further next time, if he wishes.

The Acting Speaker (Mr. Applewhaite): If the hon. member speaks now he will close the debate.

Mr. Rodney Adamson (York West): Mr. Speaker, first of all I wish to put on the record certain points showing wherein I disagree with the Minister of Finance, and I think I will deal with them in the six minutes I have left, before going on with the rest of my argument as to the usefulness of gold.

While I agree with the minister with regard to Lord Keynes and gold, I certainly do not agree with him when he said that Lord Keynes was in agreement with the policy that was adopted. I want to quote just one paragraph from Professor Harrod's book, "The