

Olympic Bill

Mr. Frank Howard (Skeena): Mr. Speaker, I want to say at the outset that inasmuch as we are talking about matters relating to the Olympics, where they give prizes and awards for prowess and certain attainments, if such an award existed at the moment for perpetrating a hoax on the Canadian people, surely the government would win the gold medal with this bill. Largely what I think it seeks to do is to mislead the Canadian people, this House and certainly the people of Montreal who have their hopes and expectations set upon the Olympics, as well as being able to finance the activities of the Olympics. I do not say that this misleading on the part of the government is deliberate because I am sure it is not. It results from ignorance on the part of the government and from receiving bad advice, advice that is based on false understandings and premises in regard to what may be accomplished through the provisions that are set out in this bill.

The bill deals entirely with attempting to raise funds for the purpose of the Olympics in 1976. The major source of fund raising will be through the production and sale of \$5 and \$10 silver coins, the profit from which—or the seigniorage, as I understand it is known in formal government circles—will go toward the financing of the Olympics. Most, if not all, of the silver used in the production of these coins will have to be imported from other nations. If the coins are not to be struck from blanks already produced, there is not a firm in Canada, as I understand it, that can make blanks for the purpose, certainly in the quantity required. The Mint, when it moves to Winnipeg, I understand will not have the melting and rolling facilities to produce the sheets and blanks themselves; this will have to be done by calling for tenders and the letting of a contract. Not only will the silver have to be imported, it appears, but also the blanks themselves, or the sheets from which blanks can be punched within the Mint, which will have to be produced outside Canada.

● (1410)

An estimate has been placed on the record. It came from a newspaper article in February of this year. The estimate was that perhaps, taking into account the number of coins that Mayor Drapeau has indicated must be sold, the amount of silver required will be in the neighbourhood of 51 million ounces. Mayor Drapeau has spoken in terms of the necessity of producing and selling over the four-year period 65 million pieces, some \$5 and some \$10 pieces. Mayor Drapeau is receiving his advice about the question of coin sales primarily from coin dealers in the City of Montreal who stand to make a profit because they are in the business of dealing in coins and like to tell Mayor Drapeau what he wants to hear. If Mayor Drapeau seems to want to sell \$500 million worth of coins, that is what the coin dealers tell him will be the case. He buys that, parrots it, and advises the federal government that this can be done. I think the wrong advice is being given to him, and on that basis I believe the bill is misleading.

The early Canadian silver dollars contained 80 per cent silver, so there was in fact $\frac{3}{4}$ of an ounce of silver in each silver dollar of the pre-1967 mintage. There will be somewhere above $\frac{3}{4}$ of an ounce of silver in the \$5 and \$10 silver pieces that are to be minted. I understand that the \$5 silver piece will contain $\frac{3}{4}$ of an ounce of silver and the \$10 silver piece will probably contain a bit more than that.

Taking into account the fact that each coin, on average may contain 810 of an ounce of silver and that Mayor Drapeau is talking about selling 65 million pieces, we come up with a figure of 53 million troy ounces of silver required. This figure coincides with the estimate of 51 million ounces that the government related to Donald Phillipson of the *Star* in February this year. I use that example to show that 51 million or 52 million ounces is a very accurate, conservative figure of the amount of silver that may be required.

If we have to import that silver, which we must because we do not have the quantity ourselves to make the sheets or blanks, we will have to go to various outside countries. At today's price for silver which is \$2.83 an ounce, we will have to spend a minimum of \$144 million of Canadian funds which will be going out of the Country. This will be a loss to Canada, just in respect of the silver alone. If we assume that the silver will have tacked on top of it some kind of a profit for the producer of the sheets or blanks, and take 10 per cent as a round figure, then we are speaking of another \$14 million or \$15 million. So, in terms of exodus from Canada, we are speaking conservatively of about \$160 million. This is an indication of the necessary outflow of money from Canada to import the blanks or sheets for the 85 million coins Mayor Drapeau thinks he can sell. Unfortunately, I could not be here yesterday to hear the hon. member for High Park-Humber Valley (Mr. Jelinek) because I had to attend a committee meeting but I did read his speech. I understand that, thinking of the coin collectors and souvenir hunters in the world, he believes that quantity of coins can be sold and that there will be a profit from them available for the Olympics.

Let us look at a few facts about the sales of specially minted coins from the Royal Canadian Mint over the past years. Never has the Royal Canadian Mint sold in any one year more than one million pieces of any kind of issue it has produced. Our best year for the sale of specially produced mint coins in sets was during centennial year, 1967, when the whole nation was emotionally involved in our 100th anniversary. The whole nation from coast to coast was thoroughly and completely in support of the celebration of Canada's 100th birthday. I submit that is not the case now with regard to the olympics. Even then our highest sale of individual coins in units produced by the mint for numismatic purposes was in the \$4 priced proof-life sets containing a sale value of \$1.91. That year we sold 963,714 sets, not one million. Of the gold sets at \$40 per set, we sold 337,687 sets. Of the \$12 sets, valued at \$1.91, which were silver medallions and not legal tender, we sold 72,463 sets. The gross sales of the mint in that year for specially issued coins for numismatic purposes and not for distribution throughout the system for purchasing purposes, was \$19 million. The net profit or return to the mint was \$5 million in our best year of sales.

In addition, there was a pretty extensive marketing and promotional campaign in 1967. The Post Office is to be the promotional, advertising and marketing agency under this bill for these olympic coins. What I wonder about, particularly in light of clause 11 of the bill which provides for setting up a special account, is whether the mint will operate on a cash basis with the Post Office or is there to be a credit relationship between the Post Office Department which is to market the coins and the mint which is to