

Proposed Minting of Gold Coins

mine that has been discovered in Canada. That is something you need badly, even though at the moment gold does not seem to be such a vital metal.

Grateful as we may be for the subsidy—and do not think we are not grateful—we would prefer not to have a handout. Therefore the industry and those dependent upon it are searching constantly for some method within the national economy whereby we can get off the dole. So they present various proposals to the government from time to time, and I should like to review briefly the situation affecting gold.

Gold is different from any metal produced in Canada. It is the only commodity universally accepted as money. It is a monetary metal, and thereby is a major factor in the national economy.

In 1931 the government of Canada asked the gold producers to send all their gold to the mint, and in 1932 the Gold Export Act was passed making compliance with this regulation compulsory. This was at the time Britain went off the gold standard, and the price of gold then was just over \$20 per ounce. During the period from 1930 to 1933 the average price increased each year until it reached the rate of \$28.60 in 1933. In January, 1934, the United States government proclaimed the price of \$35 per ounce. This was the maximum Canadian producers could obtain, regardless of supply and demand, for gold on the world market.

These measures—and I hope those of you who are not too sympathetic to our problems will note this—were taken in the national interest, and not at the request of the industry. A short time ago a limited sale of gold was permitted on the so-called premium market. The premium has disappeared, so the measure is of no further assistance.

At the time the price of gold was fixed at \$35 per ounce it was adequate for the sound development of the industry and also to enable the payment of top wages, as the record will prove we did pay at that time. Today we do not receive even \$35 in Canadian funds, and in the meantime everyone knows how the cost of producing anything has soared. The mining industry is certainly no exception. Gold is caught in the web of a new system of controlled currencies designed to benefit the masses, but unfortunately a relatively small group is bearing the entire load.

When I first came to Ottawa I read of various proposals made by most if not all the mining associations in Canada. I read that they were proposing such a measure as is

contained in the bill before the house today. At the earliest opportunity I discussed the proposal with some of the ministers concerned, and other officers in various departments whose knowledge on the subject is great. It appears that once again the implementation of this bill would conflict with the national interest and/or with international agreements; so that if the bill cannot be adopted in the national interest, it appears we still have to be dependent for our very existence on the good will of this government.

I do not know what is the answer to this problem. I am not an economist. But I do beseech this government to continue to explore every possible avenue with vigour and determination, so that once again the gold mining industry and the people dependent thereon may stand on their own feet and continue to explore and develop the otherwise waste lands of this great country as we have done in the past.

Hon. Douglas Abbott (Minister of Finance):

Mr. Speaker, I waited to see if any other hon. members wished to speak in connection with this bill, but I see they do not. I have listened with a great deal of interest to the speeches made by the mover of this bill and those who followed him. I am not going to take up the time of the house to deal with statements made by the mover concerning the genesis of the international monetary fund. I believe on reflection the hon. member will agree it was not communist-inspired. The people who were responsible for entering into the fund agreement were actuated by a desire to provide for stability in international exchanges, and also to provide a code of international conduct with respect to the prevention of such objectionable practices as the competitive depreciation of currencies.

One might argue that the methods adopted were wrong, but I hope hon. members will agree that none of those, including myself and my predecessor, who took part in the formulation of that agreement were either inspired or influenced by communists.

Incidentally, it is rather ironic that in this debate reference was made to Mr. Harry Dexter White as being one of those who inspired it. I am not going to refer to Mr. White. I shall leave that to the people in the country of which he was a citizen. But it is rather interesting to note that if Lord Keynes had had his way gold would have been pretty well out of the picture so far as the international monetary fund agreement was concerned. However, I am not going to take up the time of the house to