gate very carefully that it is for commercial purposes. By way of another subterfuge they make long gold chains and gold elephants and ship them off to Bangkok, Malaya, and other places, and get fancy prices for them.

Hon. Mr. GOUIN: What is the reference in the brief to countries which are permanent markets?

Mr. BIRKS: You will notice almost every newspaper carries a report from Paris, France, where the price of gold is now fixed. The price has been as high as $39 or $40 an ounce recently, but it has slumped to $37 an ounce, which is still $2 an ounce above what we pay for it here. Our government pays us in the equivalent of United States funds, so that gold mines, for example, have been taking a discount on their product for the last few months. We get paid $35 an ounce less the current week's average rate of discount. For those of us who have long memories, this is fine so long as they will pay us in American dollars when the exchange swings the other way. At that time we will be glad to take the benefit.

Hon. Mr. KINLEY: Why should the United States fix the price of gold when they are not a producer? Should not the producers do that?

Mr. BIRKS: Our government and all governments were under the impression that the United States was the only place where you could ship in gold bricks in quantity and get American dollars for them. I understand that our government had a rude awakening when they found out the demand for this free market. When we asked the Minister of Finance to give it to us particularly for our base metal mines, which did not share in the gold subsidy, we were told "You will find the gold market is a snare and delusion." That is not the case. They shipped over a million ounces last year at anywhere from 5 or 10 cents above the price paid by the Mint. The government was somewhat surprised to find the extent and width of that market.

Hon. Mr. CAMPBELL: Mr. Birks, is it not almost essential that there be a minimum price for gold and a ready market available?

Mr. BIRKS: I would say so, if you had a really free market. I think we could stand and fall on a free market because countries would buy gold in order to correct their exchange position. For example, in that organization of western powers including Luxembourg and Belgium, there is a provision that the balance at the end of each month has to be paid in gold. They have to have a balance for it.

Hon. Mr. CAMPBELL: That is pretty revolutionary thinking because we have always had a fixed price of gold in relation to the value of the currency of the country.

Mr. BIRKS: We have always fixed it. In order to prevent these gyrations of currency, if we had a fixed price of gold at a fair price you would not have a wide fluctuation of gold, and it would be much better. There was a time when the sovereign was worth 4.86⅔ in gold and the United States Eagle was fixed at $10, and they just valued them back and forth in terms of each other, depending upon the vicissitudes of trade and commerce from month to month. I think that would prevent the wide gyrations in exchange which present difficult problems. You have to gamble on exchange now and it is hard to carry on business under these conditions. Frankly, I believe the ideal condition would be to fix a higher price for gold because commodity prices have risen nearly 200 per cent. Since the price of gold was fixed at $35 an ounce. An ounce of gold will buy only about half the number of bushels of wheat that it would in 1935. I think the ideal arrangement would be to have a fixed price for gold all over the trading world, and if we fixed it high enough it would help good old Great Britain, for instance, to fix her own gold resources. Our own government is to be congratulated, for it has more gold on hand now than