

Hon. Mr. HORNER: What action would the United States take supposing we were to implement the suggestion you make, of coining some gold?

Mr. BIRKS: It is against the rules of the International Monetary Fund.

Hon. Mr. HORNER: We are all tied up.

Mr. BIRKS: But, frankly, I do not place much confidence in the International Monetary Fund, because they are now permitting us to go through this skullduggery, debasing the gold, and having it refined, and finding its way into France. They are just putting their blind eye to the telescope. They know it is being done.

Hon. Mr. HORNER: But if we attempted to do it, the United States would threaten or institute all kinds of reprisals, and in effect forbid us to proceed in that way?

Mr. BIRKS: It is just a question how long we are going to be tied to the chariot wheels of the United States. As I said in a deputation to the Cabinet at one time, "I would like to know which of these gentlemen has to be elected in an American constituency." They did not have any answer to that; they have to be elected in Canada.

The CHAIRMAN: The United States alone do not run that Monetary Fund.

Mr. BIRKS: The United States have the biggest interest in it. Note that Chancellor Butler, Anthony Eden and Winston Churchill are all in favour of a higher price for gold. South Africa, of course, is in favour of it; and at a recent conference of the International Monetary Fund in South Africa, South Africa raised the question, and Secretary Snyder at once vetoed it. Their arguments, as Mr. Wansborough very wisely pointed out, are three. First they say that it would be regarded as inflationary in their country, and they are a little concerned about the advantage it would give to the gold-producing countries. We must bear in mind that the British Commonwealth of nations is the greatest gold-producing group in the world. This group includes such gold-producing countries as South Africa and Canada.

Hon. Mr. HORNER: And Australia.

Mr. BIRKS: Yes. Russia is mentioned here, and from the information I have about that country I believe the figures mentioned by Mr. Wansborough are likely correct. But we have no idea of the cost. We know that cost does not mean anything to Russia. If they say they want one ounce of gold it would not make any difference to them whether it cost them \$60 or \$70. A short time ago Russia announced that they were going to begin some kind of a gold ruble. They wanted to get on the gold standard. My own impression is that the quickest way to make Russia give up is to have free gold, for I do not think she could stand the pressure.

Hon. Mr. KINLEY: The United States has an enormous supply, has she not?

Mr. BIRKS: \$23 billion.

Hon. Mr. KINLEY: The United States would be in the circle of nations that would benefit.

Mr. BIRKS: They would benefit the most because unquestionably they have the largest supply of gold in the world.

Hon. Mr. KINLEY: The United States money is the only money that is redeemable by gold.

Mr. BIRKS: There is the Swiss franc.

Hon. Mr. KINLEY: Why would Canadian money not be redeemable by gold? Would that be under an international agreement?

Mr. BIRKS: American money is not actually redeemable in gold. You have gold bars to back up the money, but you cannot get ten or twenty dollar pieces in gold. They would sell you gold for commercial purposes after they investi-