

GOLD

SALES FROM SOUTH AFRICA AT PREMIUM OF
\$6.50 PER FINE OUNCE

On the orders of the day:

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, yesterday the hon. member for Rosedale (Mr. Jackman) asked whether in view of the approval by the international monetary fund of the sale by South Africa of newly-mined alloy gold to be used only for industrial or professional work at a premium of \$6.50 a fine ounce over the fund's price of \$35 a pure ounce, the government would extend the same right to Canadian gold producers. At that time I told him I had seen the press report but had no official information on the matter. I said I would make an inquiry. I have done so, and I find that the international monetary fund has not in fact approved any specific sale of gold at a premium by South Africa. Yesterday the international monetary fund issued a statement in that regard which, for the purpose of the record, I shall place on *Hansard*. That statement is as follows:

Following certain press reports about a gold sale at premium prices made by South Africa, the international monetary fund wishes to make it clear that it has not approved any specific gold sale at a premium price.

The fund was consulted four months ago by the South African government with regard to a proposed plan to sell semi-processed gold at premium prices for industrial, professional, or artistic purposes. The fund advised the South African government that it was "disturbed by the fear that the trade in semi-processed gold which is contemplated by the South African government would involve considerable sales of gold at premium prices for other than legitimate industrial, professional or artistic purposes. It felt that this would almost certainly be the consequence if the proposed transactions are to be on a scale sufficient to ensure an appreciable profit to . . . gold producers.

In these circumstances," the fund added, "the fund believes that South Africa should not engage in the proposed plan unless it is satisfied that it can take effective measures to ensure that gold sold under the plan will in fact be used for bona fide and customary industrial, professional or artistic purposes."

The South African government informed the fund over this past week end that it has agreed to sell a quantity of semi-processed gold at a premium price. However, in the light of the information submitted by South Africa, including the prices and quantities involved, the fund has found it necessary to get in touch with South Africa with a view particularly to determining whether the safeguards adopted are, in the fund's opinion, adequate to ensure that any gold sold will in fact be used for bona fide and customary industrial, professional and artistic purposes.

Mr. Harry R. Jackman (Rosedale): Following the answer given by the Minister of Finance, I should like to ask this question. If the Canadian gold industry observes the same restrictions as the South African industry in

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regard to newly-mined gold for industrial and professional purposes, will the Canadian industry be allowed to sell on the open market?

Mr. Abbott: I do not care to answer a hypothetical question. Gold has been sold by the Canadian Mint for industrial and commercial purposes, and permits have been given for the sale of semi-processed gold for those purposes. However, in each case the price has been related to \$35 an ounce, which is the amount paid by the United States treasury.

GRAIN

INQUIRY AS TO PRODUCTION PROGRAM FOR 1949

On the orders of the day:

Mr. E. G. McCullough (Assiniboia): I should like to ask a question of the Minister of Agriculture, of which I have already given notice. Is it the intention of the government to give a lead to western farmers as to what grains should be grown for 1949? If so, will the minister make a statement to the house in that regard?

Right Hon. J. G. Gardiner (Minister of Agriculture): As the hon. member has said, a copy of his question was sent to me this morning. The practice of the provincial and federal governments in the years preceding the war was that the provinces had the most to do with production. They gave more direction in that regard than did the federal department of agriculture. At the beginning of the war however it was thought advisable that considerable direction should be given by the Department of Agriculture in Ottawa. Therefore we held conferences annually, beginning in 1939, with the provincial authorities, farming organizations, the farm press and representatives of the federal Department of Agriculture, upon which occasions we discussed all questions relating to the necessity for greater production of one product as compared with another during the period of the war. That practice continued until two years ago, when we decided to hold conferences during the first week of December of each year and discuss the probable or possible program in connection with agricultural production for the succeeding year.

A conference was held on December 6, 7 and 8 last, at which the provinces and the farm organizations were fully represented. The agricultural press was represented, and for part of the time the daily press also. The question of the production of different farm products was fully discussed, and at the end of the meeting it was unanimously agreed that the direction that should go out from all sources should be to the effect that the acreage that had been utilized in the