

*Supply—Mines and Technical Surveys*

seaway or any waterway in our country, if we, in Abitibi, would call for the building of ironworks in our area. It is quite natural that those plants should be built on the seaway, in those very towns located along this country's waterways. Or rather, since zinc is being mined in our district, I do not see why it should be sent out of the area to be processed.

It would benefit this country and it would certainly be better than sending it to the United States, as has been done for several years. It would be well to have a refining plant in this country for metal produced in Canada. It would be ideal for our district and the whole northern area. To my mind, it would be an excellent thing to set up such a refining plant in Abitibi.

I shall now go on to something else which was mentioned by previous speakers, that is, assistance to the gold mines. Such assistance is essential. I believe that the Minister of Mines and Technical Surveys did admit that the gold mining assistance act should be retained. Indeed, I commend him for having renewed that assistance. We may thus keep those industries working, not only in northern Quebec, but also in northern Ontario.

As suggested by one hon. member who spoke before, most parts of this country would benefit. In fact, several mining towns in northern Canada would again know an undescribable depression, they would become ghost towns, if that assistance were discontinued. This morning I heard an hon. member say that a policy of subsidies had been suggested in the United States to help discover new gold fields from the prospecting stage onward.

To my mind, it would also be a good and helpful thing for the gold mines to raise the price of gold. Such a step would have worldwide repercussions.

It is, indeed, a very complex issue. It has been mentioned that the price of gold was raised once before, but there has been no increase since 1933, whereas the prices of all other metals increased in proportion to the supply and demand. In the case of gold, the price was established by the American government and has remained at the same level ever since.

As hon. members who spoke before me pointed out this morning and this afternoon, the problem is becoming more and more acute, and even the United States have reached the point where they have to put

gold on the list of the most wanted metals and even offer grants in view of discovering and developing new gold mines. Obviously, it all goes together.

Just a word now on the devaluation of the Canadian dollar. Today, the dollar does not have the same value as it had before the second world war, when for the last time, in 1933, the price of gold was raised. We all agree on that.

A short time ago, we learned that the rouble had been devaluated, as of January, 1961. Such a decision on the part of the U.S.S.R. places our U.S. neighbours in an impossible situation, as they will have to do the same if they want to compete with Russia on world markets. Having devaluated its currency, the U.S.S.R. can compete at ridiculously low prices with every western country, including Canada which is a great producer of raw materials. They can sell their products at giveaway prices.

Just this morning, in fact, the minister referred to a large production of asbestos in Russia and indicated that Canada would be faced with keen competition.

The efforts being made by Russia to capture world markets, particularly with regard to such raw materials as we produce, are a threat to the economy of North American democracies, and particularly Canada.

Reference was made this morning to raising the price of gold. It will be recalled there have been several raises in the past. Indeed, that was what prompted prospectors to search for gold in the Yukon and in Alaska in 1900, and before that in California and along the U.S. Pacific coast.

There was a readjustment in the price of gold in 1933, and it resulted in the opening up of northern Quebec, particularly in my own area of Malartic-Val d'Or-Cadillac-Rouyn. At that time there was a tremendous surge of activity. After the price of gold was readjusted, its value remained the same, both before and after the war and on until today, and this has had the effect of a devaluation. That is what the Americans are trying to avoid, but they will soon have to reach a decision on the problem.

I have just received a very interesting suggestion on that subject from a mining engineer. In view of its importance and for the information of the members of this house, I hope you will allow me, Mr. Chairman, to read it into the record. Perhaps it does not give every detail, but it does give a general