

Section 4.—Production of Metallic Minerals.

Subsection 1.—Gold.

Canada has been a gold-producing country for over 75 years. During the last half of the 19th century production was chiefly from placer operations in British Columbia and Yukon, while during the present century there has been a rapid growth of production from lode mining both of auriferous quartz and of gold in association with other metals. Gold production in Canada attained its earlier maximum in 1900, when the Yukon production reached its highest point and 1,350,057 fine oz. of gold were produced. The quantities and values of gold produced in Canada are given by provinces for 1911 and subsequent years in Tables 8 and 9. The preliminary official estimate for 1934 is 2,964,400 fine oz.

In 1931 the value of gold produced in Canada exceeded that of coal for the first time. Producers of gold have benefited in recent years not only from the general decline in the prices of other commodities with a consequent reduction in their operating costs, as well as an increase in the purchasing power of their product, but also from the rise in the price of gold in the world market. The more outstanding events associated with this rise in price may be briefly outlined. The United Kingdom suspended specie payments on Sept. 21, 1931, and the gold exchange value of the pound sterling declined rapidly. The Canadian Government first assumed control of gold exports by a licensing system and later undertook to purchase all new gold bullion produced in the Dominion, paying the producer a premium over the standard price to equalize the exchange difference. The United States departed from the gold standard on April 19, 1933, and on Jan. 31, 1934, the United States' Treasury announced that it would buy gold at \$35 per fine oz.; thus establishing a new par of 15 $\frac{5}{16}$ grains for the U.S. dollar. On June 15, 1934, the Canadian Parliament passed legislation instituting a special tax on gold produced in Canada. This tax applied only to producing companies which had paid dividends continuously since the beginning of 1933, and consisted of a levy of 25 p.c. on the premium value of gold produced from ore mined in Canada, provided that the tax did not reduce the price received by the producer below \$30 per fine oz. Deductions for income tax were allowed.¹

In the circumstances outlined above gold has ranked first among the minerals of Canada since 1931. Under the stimulus of higher prices prospecting for gold has been more active during the past two years than ever before. Favourable results from these activities, with new mines coming into production and expansion in numerous producing mines, give every prospect for a continued increase in gold production.

Ontario.—Although gold was first discovered in 1866 in Hastings Co. and was later found and worked at many points from there to the lake of the Woods in the west, a distance of roughly 900 miles, no permanent gold-mining industry was established until 1911, when the Porcupine Camp was opened up. Soon afterwards the discovery of gold in the Kirkland Lake area, on what is now the Wright-Hargreaves Mine, led to the development of this second camp. The Lake Shore Mine in this camp has latterly had a larger production than that of any other Canadian gold mine. Active prospecting and development have been carried on during recent years in a number of Precambrian areas in Ontario. Properties brought into production include the Howey and Moss gold mines in the northwestern part of the province, the Ashley and Young-Davidson in Matachewan, and the Little Long

¹ In the Budget of Mar. 22, 1935, this form of tax was relinquished, and compensating arrangements were made in the income tax regulations providing for reduced depletion allowances to mines to offset anticipated loss in revenue.