

producers have a larger monetary return than the actual value of the petroleum produced because many oil wells also produce large quantities of natural gas. On the other hand, the natural gas industry receives a smaller return than the total value of all natural gas produced because some of the gas is produced by the petroleum industry, because of leakage or other loss in piping gas to the consumers, and because a small amount of natural gas is produced by private individuals or groups from their own wells for their own consumption, without any industrial organization intervening between producer and consumer.

For other non-metallic minerals (if the small production of peat normally included with fuels is deducted) and clay products and structural materials, returns to the producing industries are the same in each case as the total value of the mineral commodities produced.

Subsection 1.—Principal Factors in the Mineral Industries.

Capital.—In connection with the item of capital, operators are requested to report *only the capital actually invested in the enterprises*, including (1) present value of lands, buildings, plant, machinery and tools, (2) cost of materials on hand, supplies, finished products and ore on dump, and (3) cash, trading and operating accounts and bills receivable. It should be specially noted that no estimate of ore reserves is included in the capital. Indeed, capital expenditures in mining ventures are frequently very difficult to designate. For instance, purely exploratory workings might properly be charged to current expenses, but if these exploratory workings open up new ore resources and become the channel by which such ore is utilized, such workings become part of the productive plant and as such their cost is an item of capital. On the other hand, after an ore body is exhausted much of the mining plant has practically no resale value and for this reason many companies drastically write off the capital value of their plant during profitable years of operation. In these circumstances, the actual amount of capital employed in mining enterprises is uncertain and the figures of capital should be used with such reservations in mind.

Employees.—Tables 6 and 7 which follow give the numbers of persons directly employed in the operating mineral industries. These figures, however, do not include those engaged in prospecting and exploration for individuals or small syndicates from whom no returns can be obtained, amounting probably in the aggregate to a considerable number. Neither do the figures include consulting geologists and mining engineers nor contract diamond drillers and their respective organizations.

Commodities and Services Purchased.—In addition to the expenditures for remuneration of those directly employed in the mineral industries, statistics are collected annually of expenditures for fuel and electricity, but the figures given in Tables 6 and 7 are exclusive of the fuel and electricity used in metallurgical processes, such as reduction furnaces, electrolytic cells, etc. The mining industry expends annually large additional sums for the purchase of equipment, machinery, explosives and a great variety of other supplies, and for freight and insurance. In an attempt to obtain an estimate of these expenditures, firms engaged in the industry were circularized regarding such expenditures in 1934. Returns received covered fairly completely the operating firms in the metal-mining and fuel industries, but in the other groups of mineral industries, where there are many small operators of gravel pits, small quarries, etc., the returns were much less complete. Furthermore, no attempt was made to reach prospectors and small development parties