

Subsection 2.—Growth of the Mining Industry in Recent Years.

Growth, 1922-29.—From 1922 to 1929, the output of the mineral industries increased by 72 p.c., capital investment by 76 p.c., employment by 53 p.c., and the salaries and wages by 65 p.c. Progress was most rapid in the metallic mineral industries, where the expansion in net production amounted to 170 p.c. with proportionate increases in capital and employment. The period from 1922 to 1929 was marked by a rising cycle of activity in construction. This was reflected in the expansion of industries engaged in the production of clay products and other structural materials. The output of this group of industries increased by 47 p.c. during the period, while, within the group, progress was much greater in industries producing cement, gravel and stone than in the clay products industries. The group of non-metallic mineral industries remained relatively stationary in contrast to the other two main groups during this period of rapid expansion. This may be attributed to the fact that coal mining is the predominant industry in the non-metallic group and, under increasing competition from oil fuels and hydro-electric power, did not participate in the general industrial expansion of the period.

Developments since 1929.—Since 1929 the mining industry in Canada has been affected by the world-wide economic disturbances, accompanied by a very drastic decline in the prices of most of the principal metals, especially copper, lead, zinc, and silver. In the case of gold, on the other hand, since 1931 the price has risen to a level about 69 p.c. above that formerly prevailing.* Under the influence of the early decline in base-metal prices, the value of the net production of the metallic mineral industries declined by 27 p.c. from 1929 to 1932, with a decline of 29 p.c. in employees and 30 p.c. in salaries and wages paid. But, since the higher price for gold stimulated its production and the readjustment of costs stabilized the base-metal industries, metal production has expanded again, the net sales in 1935 being 33.3 p.c. above those of 1929, employees 24.0 p.c. above, and salaries and wages 18.2 p.c. above 1929. While industrial statistics for 1936 are not yet available, the production figures for this latest year indicate a continued rapid growth in metal production. Doubtless, in reaching this new record the influence of gold is important through increased production, higher value, and its association with other metals, especially copper. However, in the years 1934-36, not only gold but nickel, copper, lead, and zinc were all produced in Canada in larger quantities than ever before, from which it must be concluded that the producers of these metals were able to operate profitably at even the low prices then prevailing for copper, lead, and zinc: prices have shown a distinctly stronger trend more recently.

Among the non-metallic industries the demand for coal declined owing to reduced requirements in industrial and transportation activities. Similarly, the demand for asbestos and gypsum was affected by the lower level of industrial and construction operations. Salt was an exception to the general rule, as its production was well maintained throughout, partly owing to its increased consumption in certain chemical industries. Indeed, the net sales of the salt-producing industry increased each year from 1929 to 1932 to a level about 23 p.c. above that of 1929. Taking the group of non-metallic industries as a whole, net sales declined by 32 p.c. from 1929 to 1932, employment by 21 p.c. and salaries and wages by 36 p.c. Net sales in 1935 increased by 14.7 p.c. from the low point of 1932.

The production of clay products and other structural materials is directly dependent upon construction activities within Canada. During the early years of the depression, these activities were partly maintained by governmental relief projects and by the carrying to completion of some large operations which had

* See chart on p. 365.