much greater than during the War of 1914-18, but it is much more essential. For example, under the provisions of the present United States neutrality legislation, gold or its equivalent is indispensable in order that the fullest possible advantage can be taken of the huge industrial organization of the United States for the production of urgently needed war equipment.

Silver.—Although silver is, because of its present low price, produced in Canada chiefly as a by-product of the treatment of ores mined primarily for the production of lead, nickel, copper, zinc, gold, and radium, the Dominion ranks as the third largest world producer. The annual production in 1939, estimated at 23,116,861 fine ounces, was 4 p.c. higher than in 1938, and about 6 p.c. greater than the average output for the last two years of the War of 1914-18, but its value was less than half. Nevertheless, an annual contribution of $9,359,553, as in 1939, is a substantial one towards the support of the national economic reserves.

The Great Strength of Canada's Mineral Industry in Support of the Present War Effort.

It is evident from the above survey that Canada's mining structure, built up on the basis of peace-time needs, is capable of giving strong support to the present war effort. Particularly is this the case with the non-ferrous base metals, because of their vital importance in the military operations of modern mechanized war. Gold, however, is no less essential on the equally important economic front. In 1914-18, Canada was an important producer of nickel, although in unrefined form, but produced comparatively little copper, lead, and zinc, and of these only lead was produced in refined form. Its role as a world gold producer was then a small one. Since that time, however, its annual production of nickel has more than quadrupled; and the Dominion now holds a leading position, both as a producer and exporter, of copper, lead, and zinc, also of gold and platinum. It is fully equipped with huge metallurgical refining plants, one each for lead and nickel, and two each for copper and zinc, and all can be increased in capacity, as required, at relatively small capital outlay.

During the War of 1914-18 the world shortage of producing capacities of the essential base metals, and the urgency for larger supplies, forced prices to abnormally high levels. The large expansion in Canadian output together with the impressive dividend records of the producers during the past ten years of low prices can be accepted as evidence of the favourable mine-operating conditions that exist to-day in Canada. The Dominion's large producers of copper, lead, and zinc are passing the advantages of their low costs of production on to the British Government for war purposes, by agreeing to furnish the larger part of their outputs at virtually the prices that prevailed just prior to the War. On their purchases of these three metals under these agreements, the British Government will pay possibly from $75,000,000 to $90,000,000 less per year than for similar purchases in 1918.

The two recent events in Canadian mining noted at pp. 305 and 307, give additional strength to the industry's war position. The first relates to the discovery of high-grade hematite iron ore in western Ontario and the resumption, after 16 years, of the production of iron ore in Ontario at the New Helen mine. The second is the development of the Turner Valley crude petroleum field of Alberta. While of no immediate strategic importance, because of the unrestricted availability of ample supplies from conveniently situated United States reserves, they will increasingly strengthen the Dominion's financial position.