

by the gold-mining industry in 1935 amounted to \$28,707,000 or 33.8 p.c. of the total, and by the base-metal mining and smelting industries to \$37,182,000 or 43.9 p.c. of the total reported expenditures by all the mineral industries in 1935. Therefore such expenditures by the gold mines in 1937 increased 41.5 p.c. and by the base-metal mines and smelters 59.5 p.c. as compared with 1935.

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 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.—Following 1929 the mining industry was affected by the world-wide economic disturbances and by drastic declines in the prices of most of the principal metals, especially copper, lead, zinc, and silver. On the other hand, the price of gold has risen by about 69 p.c. since 1931. 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, and while the net sales in 1938 were not on a comparable basis with those of 1929, employees were 81.5 p.c. above, and salaries and wages 87.9 p.c. above 1929. While industrial statistics for 1939 are not yet available, the production figures for this latest year indicate that metal production was well maintained.

Among the non-metallic industries the demand for coal declined during the depression years 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. A large measure of recovery has taken place in this group of industries, especially in the production of non-metallic minerals other than fuels.

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 that had commenced before 1930. As a result construction reached its lowest level in Canada