

1920's, with its high levels of industrial prosperity and construction activity, the production of fuels, non-metallic minerals excluding fuels, and structural materials made substantial contributions to the total value of minerals.

The depression beginning in 1930 had a profound effect upon the production of minerals in Canada. The decline in general commodity prices and the increased price of gold provided a two-fold stimulus to the production of gold and, as in the 1920's, output was increased. Old properties expanded their operations and new districts and mines were discovered, developed and brought into production. Base-metal prices declined to low levels, but the improvements that low prices and competition had brought about in productive facilities during the 1920's, together with the presence in the ores of small but appreciable quantities of precious metals, enabled the producing companies to carry on. After a period of readjustment, production expanded again. However, the serious reduction in industrial and construction operations materially restricted the production of coal, non-metallics other than fuels, and the various structural minerals.

The situation, therefore, prior to the outbreak of war in 1939 was that Canada's mineral industries were in a particularly strong position so far as their ability to make a substantial contribution to the country's war effort was concerned. Such a possible contribution had two aspects, namely:—

1. The production at reasonable cost of those minerals that are essential for the manufacture of armaments, munitions and other war supplies as well as for domestic civil needs.
2. The creation of essential foreign credits by the production of gold and silver and of other minerals, surplus to national needs, for export sale to other countries.

The production of gold was reaching new high records each year so that in 1939 Canada stood second among the countries of the world with 12·9 p.c. of the total world production. As already indicated, developments in connection with base metals enabled Canadian companies to produce large supplies of copper, nickel, lead and zinc on a low-cost basis. Metallurgical processes had been extended to include final refining operations of sufficient capacity to handle the major part of Canadian production. In this field, while no aluminium ores are mined in Canada, with the availability of low-cost hydro-electric power, metallurgical plants for the production, from imported ores, of refined aluminium on a large scale had been established. At the beginning of the War, producers of all these base metals entered into voluntary agreements with the British Government to sell the surplus above Canadian requirements at practically no advance on the low prices prevailing before the War, thus assuring the British of a supply of these essential materials without the risk of advancing prices.

In the case of fuels, non-metallics other than fuels, and structural materials, productive capacity in Canada for many essential minerals was more than sufficient to provide for the then existing industrial and civil requirements. Thus the expanding demands of war industries and the construction operations necessitated by various features of the war program were readily met.