

chapter where, in the cases of copper, lead, zinc, and silver, the values are computed by applying the average prices for the year in the principal metal markets to the total production from mines and smelters with no reduction for fuel, electricity, and other supplies consumed in the production process. Some imported ores and concentrates are treated in Canadian non-ferrous smelting and refining works, especially in the production of aluminium where imported ore only is used. The net sales of these plants include, therefore, the net value of the metals recovered from these imported ores and to this extent the net sales shown in Tables 7 and 8 include products not of Canadian origin.

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. Uncertainties in the capital accounts of mining enterprises are explained more fully at pp. 324-325 of the 1940 Year Book.

Employees.—Tables 7 and 8 also show 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.—Statistics are collected annually of expenditures for fuel and electricity, but the figures prior to 1935 given in Tables 7 and 8 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. Special investigations were made to obtain an estimate of these expenditures in 1934, 1935 and 1937* and a summary of the results is given at pp. 355-356 of the 1937 Year Book and at pp. 328-329 of the 1939 Year Book.

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

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 results of these surveys are given in the special reports on the "Consumption of Supplies by the Canadian Mining Industry" for 1934 and 1935, and in special bulletins on the consumption of supplies by the gold-mining and the base-metal mining, smelting, and refining industries in 1937, published by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics, and obtainable from the Dominion Statistician.