

and stimulated prospecting to such a degree that many new mines were discovered. In addition, parts of Canada not hitherto of commercial importance were opened up and new communities were established with resultant markets for consumer goods and mine supplies. 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 were essential for the manufacture of armaments, munitions and other war supplies as well as for non-war requirements.

(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 1940, Canada stood second among the countries of the world with 12.9 p.c. of the total world production. Developments in connection with base metals enabled Canadian companies to produce large supplies of copper, nickel, lead and zinc on a low-cost basis. The policy of the Department of Mines and Resources was to encourage and assist in the location of deposits of metals and minerals that were formerly imported, important among which were tungsten, molybdenite and magnesium. Metallurgical processes were extended to include final refining operations of sufficient capacity to handle the major part of Canadian production. In this field, while no aluminum ores are mined in Canada, with the availability of low-cost hydro-electric power, metallurgical plants were established for the production, from imported ores, of refined aluminum on a large scale. At the beginning of the War, producers of base metals entered into voluntary agreements with the Government of the United Kingdom to sell the surplus above Canadian requirements at practically no advance on the low prices prevailing before the War, thus assuring to the United Kingdom 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 before the War 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.

Canada's mineral production in 1946 was estimated at \$493,840,428 or \$5,000,000 less than in 1945. The value of the metals group was down 9 p.c. to \$289,704,209, which was the lowest figure since 1936, but clay products and structural materials rose 27 p.c. to \$61,414,604, fuels increased 8 p.c. to \$100,734,412, and other non-metallics advanced 6 p.c. to \$41,987,203. Recoveries of base metals were considerably lower than in 1946. The tonnage of copper was down 22 p.c.; nickel and zinc declined 22 p.c., and 9 p.c., respectively. Output of lead, however, was up slightly. Gold production in 1946 totalled 2,807,643 fine oz. valued at \$103,180,880, a gain of 4 p.c. in quantity over 1945, but a decline of 1 p.c. in value because of the