

In Ontario, Caland Ore Company Limited, Canadian Charleson, Limited and Steep Rock Iron Mines Limited continued to produce direct-shipment and medium-grade concentrates in the Atikokan area in 1961. Canadian Charleson shipped small amounts from stockpile. Steep Rock, the area's oldest producer, and Caland accounted for 6.7 p.c. and 5.5 p.c., respectively, of the 1961 shipments. In the Michipicoten area, Algoma Ore Properties Division of The Algoma Steel Corporation, Limited operates mines and a sinter plant at Wawa. This company, which accounted for 9 p.c. of the 1961 shipments, opened a new underground mine. Marmoraton Mining Company, Limited produces high-grade pellets from its mine and plant near Marmorat, and Lowphos Ore, Limited produces high-grade concentrate from its operations near Capreol. Together, these companies produced 5.6 p.c. of the country's shipments in 1961.

Three British Columbia producers accounted for 6.3 p.c. of total Canadian shipments; Empire Development Company, Limited and Nimpkish Iron Mines Ltd. operate mines on Vancouver Island, and Texada Mines Ltd. produces from mines on Texada Island.

By-product iron ore was produced by The Consolidated Mining and Smelting Company of Canada Limited at Trail, B.C., for the first time in 1961. The International Nickel Company of Canada, Limited and Noranda Mines, Limited continued to produce from their plants at Copper Cliff and Cutler, Ont., respectively. At Sorel, Que., Quebec Iron and Titanium Corporation smelts ilmenite ore from its mine near Havre St. Pierre to produce titania slag and pig iron.

As already stated, properties being developed for production will result in an increase in Canada's productive capacity to over 40,000,000 long tons by 1965. In the Wabush Lake area of Labrador, Iron Ore Company of Canada and Wabush Iron Co. Limited will commence the production of high-grade concentrate and pellets in 1962 and 1965 at the annual rate of 7,000,000 and 6,000,000 long tons, respectively. In Quebec, Quebec Cartier Mining Company will reach its planned capacity production of 8,000,000 long tons a year in 1962. In Ontario, Jones & Laughlin Steel Corporation will be producing 1,000,000 long tons of high-grade pellets from new facilities to be erected near Kirkland Lake. The two projects in Labrador and the one in Ontario will require a capital expenditure of approximately \$480,000,000. In British Columbia, three new producers plan to start shipments in 1962 at a combined rate of 1,300,000 long tons a year. By that time, two of the present producers will have ceased production, leaving a net productive capacity of about 1,700,000 long tons.

Gold.—The Royal Canadian Mint price for gold rose above \$35.00 an oz.t. in Canadian funds in June 1961 for the first time since February 1952. In 1961, average Mint price was \$35.44 compared with \$33.95 in 1960 and \$33.57 in 1959. Despite the improved price, gold production decreased in 1961 to 4,425,820 oz.t. from 4,628,911 oz.t. and value of production at \$156,851,060 was somewhat lower than the 1960 value of \$157,151,527. The Minister of Finance announced in Parliament during the Budget Speech of June 20, 1961 that the Federal Government would take action to reduce the value of the Canadian dollar in relation to the United States dollar. As a result of this policy, the Mint price for gold increased to \$36.35 oz.t. in the week of July 3-7. The price remained above \$36.00 an oz.t. for the remainder of the year and reached the year's highest point of \$36.51 oz.t. in the week of Dec. 11-15.

Decreased gold production in 1961 was due primarily to the closing of six lode gold mines between August 1960 and August 1961; four of these mines had been in operation for more than thirty years. Three small lode gold mines started producing during the same period. Another factor contributing to lower gold production was a sharp drop in output from Canada's largest lode gold mine, Kerr-Addison Gold Mines Limited in the Larder Lake district of Ontario. Operating costs continued to rise in most gold mining districts, especially in Ontario where the 3-p.c. sales tax introduced in September 1961 resulted in increased cost for equipment and materials.