

monetary reform, political tensions, a strong demand for gold as a hedge against inflationary pressures which were increased by higher world oil prices and a strong demand for gold by commodity speculators were the major factors contributing to the increase in price.

Because of problems related to world trade, the United States devalued its currency by 10% by increasing the official value of gold from \$38 an oz t to US\$42.2222. The enabling legislation was signed into law on September 18 and in concurrence with the International Monetary Fund (IMF) became effective on October 18, 1973. Canada raised its official gold price to the Canadian equivalent of US\$42.2222 an oz t to avoid any change in the position of the Canadian dollar in relation to its US counterpart. The two-tier gold pricing system established in the US in 1968 was terminated in November, and the central banks were permitted to sell gold from their official monetary reserves on the open market.

Gold production in 1973 was 1,954,340 oz t valued at \$190,376,168 compared with 2,078,567 oz t in 1972 valued at \$119,742,087 (Table 12.14). One gold mine opened in 1973 and no gold mines closed. At the end of the year 22 lode gold mines were in operation.

All gold produced in 1973 was sold on the open market and therefore no mines were eligible for assistance under the Emergency Gold Mining Assistance Act. Following the latest devaluation, this Act provides a guaranteed floor price of about \$52.50 an oz t to those mines eligible for maximum assistance payments.

All gold produced in the Atlantic provinces in 1973 was recovered as a by-product of base-metal mining. Gold production totalled 19,547 oz t compared with 17,316 oz t in 1972.

Gold production in Quebec in 1973 amounted to 478,680 oz t compared with 539,669 oz t in 1972. Both the lode gold mines and by-product base-metal mines recorded a decrease in production. Agnico-Eagle Mines Limited brought its property in northwestern Quebec into production in December 1973. Chibex Limited was preparing its mine in the Chibougamau district for production in 1974.

Gold production in Ontario was 922,303 oz t compared with 1,019,303 oz t in 1972. Gold produced from lode mines (91.8% of the provincial total) decreased by 11.4% from 1972.

Virtually all gold produced in the Prairie provinces was recovered as a by-product from base metal ores. Production in 1973 was 74,725 oz t compared with 68,562 oz t in 1972.

With the exception of a small amount of gold recovered from the placer deposits in the central part of the province and in the Atlin district, all gold produced in British Columbia in 1973 was recovered as a by-product of base-metal mines, mainly from the treatment of copper ores. Total gold production was 189,145 oz t compared with 122,159 oz t in 1972. The porphyry copper mines which began operations in 1972 reached capacity output in 1973 and were responsible for the increased gold production.

Gold production in the Yukon Territory was 20,865 oz t compared with 4,079 oz t in 1972. Whitehorse Copper Mines Ltd. recorded the first full year of production from its underground mine and was mainly responsible for increased production.

Gold produced in the Northwest Territories was recovered from lode gold mines. A sharp decrease in gold production was recorded in 1973, dropping to 249,075 oz t from 307,479 oz t in 1972. Treatment of lower grade ore was responsible for the lower output.

Lode gold mines accounted for 72.4% of the total gold produced in Canada compared with 76.9% in 1972. Gold recovered as a by-product from base-metal mining accounted for 27.4% and placer mining 0.2%. Ontario continued to be the largest gold-producing province, accounting for 47.2% of the total, followed by Quebec with 24.5%, Northwest Territories with 12.7% and British Columbia with 9.7%. Canada ranked third in world gold production in 1973, behind South Africa and the Soviet Union.

**Silver.** Canada's mine production of silver in 1973, 47,487,589 oz t, was 2.7 million oz t greater than in 1972 and the highest on record. Canada was the world's largest mine producer of silver.

Mine production of silver in the Atlantic provinces declined 7.0% in 1973 from the previous year. Silver output in Quebec, recovered from base-metal and gold ores, was significantly lower in 1973 than in 1972. Reduced output by American Smelting and Refining Company at its zinc-lead-copper-silver mine at Buchans, Nfld. accounted for much of the decrease. Silver output in 1973 at the Buchans mine was significantly curtailed when a seven-month labour strike interrupted operations.