

Quebec. Such a line would cost an estimated \$300,000,000 and the whole matter seems destined to receive increasing attention. The reserves of natural gas in Western Canada have been increasing at a considerably higher rate than has consumption and thus there is need of finding new market outlets. This is emphasized by the fact that the contemplated increases in crude-oil production to supply the Trans Mountain and Superior-to-Sarnia pipelines would result in a marked increase in the output of natural gas, which, unless market outlets are developed, would be mainly wasted.

For the mineral industry as a whole, the outlook in mid-1953 appeared to be bright, an encouraging feature being improved prospects for the gold industry. Among the many favourable factors in the outlook for the metals are: the arrangements by the United States Government to purchase large quantities of Canadian-produced nickel over lengthy periods; the scheduled production of iron ore from the Quebec-Labrador deposits and from the deposits at Marmora, Ont., in 1954; and the rising tempo of activities in the principal metal-consuming industries in Canada and abroad. Perhaps the most favourable factor in the outlook for the industrial minerals is the steady increase in activities in the construction and related industries. Huge quantities of these minerals are required also in Canada's rapidly expanding chemical and metallurgical industries.

The developments in the mineral industry during the review period on a regional basis follow.

British Columbia.—Lead, zinc, copper, gold, coal, silver and iron ore make up the bulk of the Province's mineral output. Declines in the prices of lead and zinc led to the closing of several marginal producers and thus contributed to the decrease in the value of the Province's mineral output from \$176,279,000 in 1951 to \$172,907,000 in 1952. However, mining activity in the main was at a high level.

In the base-metal field, the Consolidated Mining and Smelting Company of Canada Limited made good progress on its \$65,000,000 modernization and expansion program. The rehabilitation of its lead smelter and the extension to its electrolytic zinc plant was nearing completion in June 1953 but, because of poor marketing conditions for lead and zinc, the Company decided not to place its H.B. property into production as planned. The mill extension to the Company's Tulsequah zinc-copper-lead mine in northern British Columbia was completed in January 1953 and the new fertilizer plant at Kimberley was ready for operation in mid-summer. Power generation at the Company's new Pend d'Oreille plant, scheduled to commence early in 1954, is expected to offset any further shortage of power such as that which forced a substantial reduction in the treatment of custom concentrates in the winter of 1952-53.

The mining of tungsten ore moved to the forefront as Canadian Exploration Limited, a subsidiary of Placer Development Limited, increased the capacity of its mill to 500 tons daily on ore being drawn from three sources—from its original Emerald orebody in the Salmo area, from the Dodger orebody discovered in 1951 about one-half mile east of the Emerald, and from the Feeney orebody to the north of the Emerald. The daily mill rate will be increased to 700 tons in 1953 as development and stoping become more advanced in the Dodger mine. One other property, the Red Rose mine south of Hazelton which is under lease to Western Tungsten Copper Mines Limited, came into production during the period and several others were under exploration.