

# Economic Advantages of Mining to All Canada

### Mining To-day, Says Minister of Mines and Resources, is Linking the Country by the Still Closer Ties of a Common Interest. Mining Essentially a Pioneering Industry, Another Telling Phrase.

The following is the third of a series of talks on mining given this year by Hon. T. A. Crerar, Minister of Mines and Resources, Ottawa:—

It was the finding of gold in the Klondike at the close of the last century that turned the eyes of the world towards Canada as a mineral producing country. Since then, discovery has followed discovery, until today, only a matter of forty years afterwards, our mineral production has grown from \$28,000,000 to \$452,000,000, and thriving mining camps are now spread across Canada from coast to coast.

Perhaps a number of my listeners, more especially those far removed from mining areas or living in agricultural districts, fail to grasp just what our production of this new wealth means to us as individuals. True, we may not hold a share of mining stock; we may not even know the name of a single mine. Yet, all of us have, in some way, shared in the benefits resulting from this production of minerals.

To better understand this, let us examine in some detail the distribution of the 452 million dollars. Broadly grouped, it was expended in the form of salaries and wages; purchase of supplies and equipment, including freight, power, and insurance; in dividends; and in taxation.

Let us first see what direct contribution to national employment is being made by mining. Based on figures furnished by the Dominion Bureau of Statistics, the mining companies employed 105,000 persons, with a total payroll of \$135,000,000 in 1937, which compares with \$1,000,000 and a payroll of \$102,000,000 in 1935. These figures do not take into account the many thousands engaged in prospecting and in individual placer mining. Last year the payroll of the Hollinger mine alone was almost six million dollars, or approximately 35 per cent. of its total production. International Nickel's payroll was almost twenty million dollars.

Assuming that each man is supporting three dependents, we find that at least 420,000 people were directly supported by the mines in 1937.

It must not be supposed that these men are just given jobs. Mining is not so simple as that. Behind every job is a long story of courage, initiative, and capital expenditure. Experience has shown that it costs a million dollars to bring a gold mine into production on a milling rate of 200 tons daily. Ordinarily, 150 men would be employed by such a mine; thus the capital ex-

penditure might be said to represent an outlay of from \$5,000 to \$6,000 a man. In base metal mines the cost is much higher. Hudson Bay Mining and Smelting Company made a capital outlay of over \$30,000,000, and now has a payroll of approximately 1,700 people. In other words, it cost the company over \$17,000 to provide a man with work. And this capital expenditure has been spread in practically every walk of life in Canada.

So much for direct employment. Now let us turn to purchases and supplies. The average layman has but little realization of the vast quantities, and of the diversity of materials that an operating mine requires. Again, we only make an estimate, based on the available figures of 1935. In that year, when our mineral production was valued at \$312,000,000, the mines expended on supplies and equipment, and transportation the sum of \$85,000,000. On a proportionate basis, the bill for these items in 1937 would exceed \$130,000,000.

Last year International Nickel expended \$28,000,000, the larger items being \$6,000,000 for fuels and lubricants; \$2,500,000 for lumber and timber; \$1,500,000 for chemicals; and \$900,000 for explosives.

Today, as a result of the initiative shown by Canadian manufacturers, over 90 per cent. of the supplies and equipment used by our mines are purchased in Canada. Cities and towns like Windsor, Ottawa, Dundas, Kingston, and Lindsay, in Ontario; and Hull, Sorel, and Joliette, in Quebec, to name only a few, have thousands of people directly engaged in manufacturing mining supplies.

Two interesting examples might be cited of how the rapid growth of mining has provided new outlets for Canadian manufacturers. A locomotive company, failing to obtain sufficient business at home or abroad for its specialty, is now making mine equipment with outstanding success. Again, a windmill company, affected by the depression, changed its product, and has since had to enlarge its plant to keep up with orders for filter presses for the gold mills.

Apart from the purchases made by the mining companies, the large army of miners and their dependents must be fed, clothed, and housed, thus providing additional employment for farmers, textile workers, carpenters, and other tradesmen.

In many cases the value of farm products purchased by the mining communities is almost as high as that of the supplies and equipment actually used by the miners. For instance, the forty thousand people engaged in farming in Northwestern Quebec are supported chiefly from the sale of hay, oats, milk, beef, potatoes, and other farm products to large mining camps in this section of the province.

The transportation of all these supplies and equipment to the mining centres, as well as the movement of ores, and mine products, has greatly increased the revenue of the railways, and other transportation companies. Last year it is estimated that the mining companies alone paid a bill for freight and express charges totalling \$20,000,000, an increase of \$8,000,000 over 1935.

One of the items on this bill was \$1,123,000 for the moving of 373,000 tons of coal from Nova Scotia to the Sudbury, Porcupine and Kirkland Lake areas in Ontario, and to the Noranda, and other areas in Quebec. Incidentally, the mining of this coal provided 160,000 man-days of employment for the Nova Scotia miners.

Large quantities of timber are used by the mines. International Nickel spent almost two and one-half million dollars for timber, of which nearly \$600,000 represented purchases of fir and cedar from British Columbia. The importance of these purchases to the railways is apparent when we consider that this fir and cedar was hauled over 2,000 miles.

It may be of interest to note also that the total passenger, freight and

express revenue of the Canadian National Railways at Amos, a mining community in Quebec, increased from \$674,000 in the twelve months ending December, 1935, to \$1,283,000 in the twelve months ending November, 1937; and that the freight handled by air, tractor train, and water at its station at Hudson, another similar community in Ontario, increased from approximately 13,000 tons in 1935 to 27,300 tons in 1937.

Chiefly as a result of mining, Canada leads the world in the tonnage of freight carried by airplane. The rapid growth of air transportation is shown by the increase in the volume of all freight and express carried by Canadian aircraft from slightly over two and one-quarter million pounds in 1931, to more than twenty-three million pounds in 1936. At least twenty planes are now operating out of Edmonton and Prince Albert to northern points. In these areas last year twelve hundred and twenty tons of freight were handled by planes, and twenty-three thousand tons were transported by water.

For the purchase of electric power the mining industry spent over \$18,000,000 in 1937, a gain of more than \$6,000,000 over 1935. Perhaps one of the best illustrations of how mining contributes to the development of our electrical industry is afforded in the recent decision of Consolidated Mining and Smelting Company to spend \$1,000,000 in the erection of a power plant at Tazin lake, almost 800 miles north of the International Boundary.

Dividend payments of \$105,000,000 made by Canadian metal mines last year were the highest on record, and represent about 20 per cent. of the total value of production.

No actual appraisal of the taxes paid by our mines is possible, but Canada's leading gold producer estimates that its tax bill last year was more than one million dollars, or about 7 per cent. of its gross production, and was between 1911 and 1937 it paid over \$1,000,000 in taxes. Noranda, in 1932, has paid over \$10,500,000 in Dominion, provincial, municipal, and sales taxes. These returns, only two of the many companies operating in Canada indicate the extent to which all Canadians are benefiting in the development of our mineral resources by reason of the increasing share of taxation being borne by the industry.

Taking into consideration all its expenditures, including dividends, it is estimated that mining is supporting directly and indirectly more than one-tenth of our population.

The foregoing benefits are quite apart from the contribution being made by the industry in maintaining our international credit by the sales of mineral products. Our export trade in minerals last year reached a record value of approximately \$328,000,000, or close to 30 per cent. of our total export trade for the year, and a gain of 23 per cent. over 1935. This external trade in minerals in 1937 was sufficient to pay for our total imports during that year from the rest of the British Empire, and from all of the principal foreign countries, with the exception of the United States.

So far, I have outlined briefly the directly economic advantages of the mining industry—advantages that can be estimated for the most part in dollars and cents. There is still another advantage which, although intangible, is none the less important. I refer to the influence of mining on Canada's national growth.

Mining is essentially a pioneering industry. In the wake of every discovery comes a wave of settlement. As a result we see today along a front of 2,500 miles, from Chibougamau in Quebec, to Great Bear Lake, in the Northwest Territories, and again throughout British Columbia and Yukon, prosperous mining communities where, as recently as five years ago, forested land and wilderness held sway.

Behind this long line of outposts of our advancing miners are the loggers of British Columbia, the coal miners of Nova Scotia and Alberta, the farmers of the agricultural areas, the workers in the industrial centres, and the men of the transport service.

Because of this interdependence of mining and the basic industries, our whole economic fabric is closely interwoven. Just as the railways linked all parts of the country in a physical sense, so is mining today linking the country by the still closer ties of a common interest.

### Noted Canadian Flier Loses Eye from Infection

Word from Edmonton this week says that W. R. ("Mop") May, one of the noted airmen with the Canadian Airways, and who has done much flying in the North, has lost one eye, but is back again at work, as if nothing special had happened. It is understood that the loss of his right eye will not stop his usefulness in the air service. Mr. May, who won quite a name for himself as an intrepid war ace, recently suffered infection in his right eye some weeks ago. Eventually it was found necessary to do something about it. The eye was removed about a week ago.

May, Superintendent of Canadian Airways, Mackenzie Division, suffered injury to the eye about ten years ago, when a silver of steel pierced it. Lately infection set in, and, threatened with loss of his sight, May decided to have the eye removed. Airways officials said it would not affect his work. They explained May has not been really active as a pilot since becoming Superintendent of the Mackenzie Division two years ago. Hero of numerous mercy flights over Northern Barrens, May is one of the best known of Canadian airmen. For his contribution to Canadian aviation May was honoured by King George V, who bestowed upon him the Order of the British Empire.

# Timmins Stamp Club Column

Switzerland's Traveling Post Office



Illustration from H. E. Harris & Co., Boston

A travelling post office in the form of a special autobus has recently been established in Switzerland in order to reach the more outlying districts of the country. A picture of this interesting postal innovation is seen on the attractive Swiss stamp pictured above. The stamp is handsomely printed in black and yellow, has a value of 10m, and is sold only on the autobus itself.

France Aids the Sanitary and Moral Prophylactic Society!



Illustration from H. E. Harris & Co., Boston

Pictured above is the 65c plus 25c semi-postal stamp issued by France on September 1 for the benefit of the "Sanitary and Moral Prophylactic Society." The nature and purpose of this society are shrouded in mystery, but the allegorical design, featuring a mother with her child, and the inscription "POUR SAUVER LA RACE (To Save the Race)" seems to indicate that it is a child welfare organization. It will be recalled that France has the lowest birth-rate of any country in Europe, and French social writers are always prone to dwell gloomily on the prospect of "race suicide."

"Rolling Down to Rio" Two exceptionally attractive pictorial

stamps have recently been issued by the Brazilian government. The values are 200r brown and dark blue, and 2000r green and deep carmine, and the designs show interesting scenes in Rio de Janeiro, which has often been called by travellers the most beautiful city in the world. The 200r value pictures the Monroe Palace near the harbour, and the 2000r shows a corner of the famous Botanical Garden that was founded over a hundred years ago by the Emperor Dom Joao VI.



The lofty palms that are seen on the latter stamp are descended from a single tree that was brought by Dom Joao from the Antilles. In order that this tree might remain unique, the emperor commanded that its seeds should always be carefully collected and buried, but a slave stole some of them and today the palm trees of Rio de Janeiro are perhaps the finest in the world. Because of their impressive height and beautifully symmetrical shape, the Brazilians have given them the picturesque name of "The Feather-Dusters of the Gods."

### Remove Handicaps From Ontario Mining

#### Changes in Securities Commission Regulations to Be Big Help

(From Globe and Mail)

It is with sincere pleasure we welcome Commissioner John M. Godfrey's manly explanation of the reasons dictating important modifications of some of the most contentious regulations of the Securities Act, but we are somewhat at a loss to know why a weekly publication should have been selected to advise the public of the changes, and particularly why the latter should attempt to take credit for them. That arrogation, however, can safely be left to the judgment of the reading public.

Nearly a year ago we pointed out the folly of such rules as that which compelled the sale of treasury shares, regardless of value or capitalization, as a fixed minimum of fifteen cents, or which decreed that no company could appeal to the public for funds unless and until it had a cash balance of \$10,000 in its treasury. We argued that such prohibitions would force all mining promotion into the hands of a favoured few, and such has been the result, as proved by the alarming lack of prospecting, new discoveries and initial financing since these particular regulations were adopted early last year, and which evidently forced the shift to reverse.

We have never argued that unfavourable financing conditions have been caused solely by administration of the Securities Act. We realize full well that the first crumbling of the structure occurred with the gold scare of last April, and that it was made worse after partial recovery, by the disastrous drop in industrial activity in the United States during the last half of the year. Nevertheless we do contend that part of the trouble may fairly be laid at the doors of the Commission itself, since it is evident that such regulations as we criticized most severely have driven the small promoter, and therefore the independent prospector, largely from the field, and thus struck at the very foundations of mining prosperity.

We believe we know something of the course of events since the election of Premier Hepburn last October, and the attention that has been given to the whole subject of regulation since that time. We think we also know just where the real decisions for change originated, but we have no desire to detract one iota of credit from Mr. Godfrey or amplify the very logical reasons advanced by him for the modifications.

We most sincerely hope that a very important and fundamental truth has been borne home to the Administration and the officials of the Securities Commission—that nothing is as important to the prosperity of the mining industry as the enthusiastic encouragement of the prospector and small promoter, who battle in the bush and the world of finance in efforts to advance not only themselves but the industry upon which Canada depends in greater measure than any other nation on earth. Rob the industry of romance, of its appeal to the poor man, and it must wither and die. Public speculation is wholly dictated by the hope of reward far in excess of any possible returns from humdrum business. Take that away, and the development capital of the many is dried up in a Sahara of disgust and indifference.

In a personal way we welcome the changes as recognition on the part of Commissioner Godfrey that our criti-

cisms of the past, no matter how severe, were in no way personal, but wholly and solely condemnatory of a system plainly un-British and where pursued, as in the United States, disastrous to a great industry, created and kept alive by a mine class of men as the world has known and one with which we have been connected for 45 years. We shall always object to any law or rule that places upon it unnecessary burdens or unjustly besmirches it as one to be shunned.

### Roads in the North Not in Best Shape, Expert Says

The Halleyburian last week had the following article in its issue of last Thursday:—

"Considerable difficulty is likely to be experienced by venturesome motorists who attempt to drive south to Temagami or beyond, according to an official of the Department of Highways in close touch with the work of the three contracting firms at present engaged in the rebuilding of the Ferguson highway to the south of Latchford. The six-mile section which was under construction by the Martin company last

# Green tea at its best "SALADA" GREEN TEA

summer is pretty well completed, but beyond that the going is very bad. In fact the section from James Lake to Temagami consists almost entirely of detours at the present time, and they are far from good detours at that. They are kept open for the use of the contractors themselves.

"The work of rebuilding is proceeding rapidly, our informant says, and there is little need for worry over the condition: the road will be in next spring. In one section 75 per cent. of the grading and culverts have been completed, while in the others good progress is also being made. A large amount of rock work has been done during the past few weeks and the new route is gradually taking shape.

"There are close to a thousand men employed by the contractors it is stated. This force will be kept on for a considerable time yet. There has been no travelling done so far, but some parts of the route are getting near that stage. From all accounts, it is going to be a grand road when it is finished."

### John Buchan's Vision of Great Far North

#### Canadian Barrens May Prove Treasure House.

(Lord Tweedsmuir in London Sunday Times)

The great asset of the north, of course, is its minerals, of which we have only scratched the surface. The Laurentian shield runs pretty well from Hudson Bay to the east bank of the Mackenzie. At present, owing to the cost of transport, only the more precious metals can be profitably mined. No man can say what developments there are in store in the future, but the indications are that they will be very great. As for base metals, there are indications of a great wealth of copper right up to the Arctic shores.

But indeed it is idle to speculate. All we can say is that the whole of the Canadian Barrens are probably a vast mineral treasure house.

Development depends wholly upon transport. This will depend partly on river steamers, but principally I think upon the air. At present air transport is expensive and the future of the north depends upon its cheapness. This again depends upon the local development of oil. I am inclined to think there is a great future for oil in the Abassand and Bitumont areas near McMurray and the Imperial oil wells north of Fort Norman are already producing for local consumption.

If the oil-bearing capacities of the north can be developed there is no reason why air transport should not be greatly reduced in price. There is no country in the world where, owing to the innumerable waterways, it is safer

both in Summer and Winter. In any case it looks as if the north would be of supreme importance in the air, since, if the Atlantic air services are established, the European mails for China and Japan will go by the Mackenzie Basin.

The vision I have of the future of the north is of a large number of smallish industrial centres in close touch with civilization by radio and the air. The winter climate on the whole is much milder than in the prairies. Such centres would have all the decent appurtenances of civilization in the shape of frequent mails, a properly varied food supply, and medical attention. Heavy plant and heavy ores would go in and out by water, but the main form of transport would be the air. The work of the signals in providing meteorological information is already excellent and with proper meteorological advice, flying in the north can be probably made safer and more regular than anywhere else in the world.

But this future depends upon a chain of hypotheses, the most important being the cheapening of local oilfields. The north is not an easy problem for Canada, but it offers a wonderful chance. She has already a fine performance to her credit—just as fine as the much-vaunted Russian development of Northern Siberia—and though there is still much to do she starts with two great advantages; the assets are there, and she can produce the right kind of men to develop them.

The Grimsby Independent says:—"After people have eaten church suppers, worth twice what they paid for them, they feel they have made a noble contribution to the cause of a religion."

# BINGO

EVERY FRIDAY NIGHT  
Sacred Heart Church Auditorium  
ADMISSION  
25 GAMES ..... 50c  
CHILDREN ..... 25c  
Worthwhile Prizes

# SIMMS, HOOKER & DREW

INSURANCE IN ALL BRANCHES  
REAL ESTATE  
Houses and Lots for Sale on Terms  
DOMINION BANK BUILDING  
Opposite Goldfields Hotel Block  
TIMMINS  
PHONE 112  
Residence—PHONE 138

# California CALLING

LOW ROUND TRIP RAIL FARES  
Follow summer to its all-year home. Thrill to golf under blue skies, relax on warm sands. For a winter vacation or a longer stay, there is never a dull moment. And living costs are very moderate.  
Choose your own route. Fares apply direct or via the Canadian Rockies, Vancouver and Victoria to San Francisco in one or both directions.  
FULL INFORMATION AS TO ROUND TRIP  
STANDARD FARE  
TOURIST FARE  
COACH FARE  
On Application to any Agent  
CANADIAN NATIONAL

# Arrange a Sleighing Party

Make the most of these fine winter nights by having a gay sleighing party. What could be more fun than a group of friends jaunting through the snow covered, moonlit countryside. Phone or call at the Star Transfer and arrange everything—including blankets, straw and the jingling bells.

# Star Transfer

7 Spruce Street South Phone 427

# "PONTIAC'S SAFETY SHIFT GEAR CONTROL SOLD ME ON THE SPOT!"

ONLY \$895.  
If you like wrestling with a gear shift lever, don't buy Pontiac! For Pontiac took it off the floor—put it on the steering column. When three ride in the front, the middle passenger doesn't get all "tangled up". The floor is completely clear—even the emergency brake is under the "dash". And gear shifting is a positive cinch—you can keep both hands on the wheel. SAFETY SHIFT means "flick shift". Test it out for yourself.

# PONTIAC

LOWEST PRICES IN HISTORY FOR SPECIAL SIX