

GOLD IN 1961

Although in 1961 the Royal Canadian Mint price for gold was the highest since 1951, production decreased by 4.4 per cent.

The year's output amounted to 4,425,820 troy ounces valued at \$156,851,060. The final total for 1960 was 4,628,911 troy ounces valued at \$157,151,527. In 1961, Quebec, Manitoba and Newfoundland were the only provinces that recorded an increase in output. Ontario remained the principal producer, with 58.6 per cent of the total, followed by Quebec with 23.8, the Northwest Territories with 9.1 per cent and British Columbia 3.6 per cent.

The output of lode-gold mines decreased to 3,735,718 troy ounces, or by 4.9 per cent from the 3,929,354 troy ounces produced in 1960. Gold recovered as a by-product from base-metal ores rose to 618,995 troy ounces from the previous year's total of 618,753. Placer-gold production decreased to 71,107 troy ounces from 80,804 recovered in 1960.

WORLD PRODUCTION

Among the minerals produced in Canada, gold maintained its position as sixth in value. It followed crude petroleum, nickel, copper, uranium oxide and iron ore. In the free world, Canada was second to the Republic of South Africa, the chief gold-producing country. The United States Bureau of Mines reports that in 1960 world gold production reached a total of 45 million troy ounces, the highest on record, the Republic of South Africa contributing 21,383,019 troy ounces (47.5 per cent), followed by the Soviet Union with an estimated 11 million (24.5 per cent), Canada with 4,602,762 (10.2 per cent) and the U.S.A. with 1,679,800 (3.7 per cent).

An amendment to the Emergency Gold Mining Assistance Act, assented to on July 7, 1960, extended the Act to the end of the calendar year 1963. To qualify for cost assistance, Canadian gold mines must have operating costs less than \$26.50 a troy ounce of gold and are eligible for this assistance only to the extent that they sell their gold to the Royal Canadian Mint. During 1961, there were 53 producing lode-gold mines, of which 40, producers of about 53 per cent of Canada's 1961 output, received cost assistance under the Act. Most of the remaining gold was available for sale in the open market.

The gold mines benefited from an increase of about \$1.50 an ounce that occurred during the year in the price of gold. This was offset, however, by wage increases and higher mining and underground-development costs. Higher equipment and material costs also lessened the benefits of the price increase, especially in Ontario, where a 3 per cent sales tax went into effect on many items on September 1. No large lode-gold mine has come into production in Canada since 1949, and depletion of ore reserves has forced many old producers to cease operations. Production from the newly-opened lode-gold mines cannot make up for the loss of output caused by the closing of the larger lode-gold mines.

NEW ARMY FINANCIAL BRANCH

A new Army organization, to be known as the Comptroller General's Branch, has been authorized and will come into being on August 1, 1962. Brigadier L.G.C. Lilley, a distinguished career soldier, and at present Commander and Chief Engineer of the Northwest Highway System, will be promoted to Major-General and appointed Comptroller General of the Army.

The basic role of the Comptroller General's Branch will be to co-ordinate all financial aspects of Army activities and ensure that the financial impact of all Army programmes is fully and uniformly considered at all stages. The Comptroller General will provide effective correlation of Army manpower to finance. The Branch will provide an essential service in recording, reviewing, analyzing and interpreting monetary terms, as an aid to the making of sound operating and administrative decisions.

The Organization of the Branch will consist of three directorates: (a) *Directorate of Army Budget*, which is now operating within the Army organization and will continue to function; (b) *Directorate of Financial Management*, in which all personnel now employed in the various spending directorates will be correlated under the Comptroller General; (c) *Directorate of Manpower Control and Management*, under which will be grouped the present Army Establishments Committee and the Directorate of Staff Duties dealing with the Canadian Army (R), Canadian Army (M) and civilian personnel of all static establishments. This Directorate will also be the Army agency responsible for the co-ordination of management studies, systems improvement and manpower-utilization analyses.

CONSUMER PRICE INDEXES

Consumer price indexes declined during April and May in eight of the ten regional cities, with decreases ranging from 0.1 per cent in Vancouver to 0.6 per cent in Halifax. The index for St. John's rose 0.2 per cent. The Edmonton-Calgary index was unchanged.

Food indexes fell in all cities except St. John's, where it rose 0.3 per cent; decreases ranged from 0.3 per cent in Vancouver to 1.9 per cent in Halifax. Housing indexes were up in five cities, down in two, and unchanged in three. In five cities there were lower indexes for clothing, in one the index was higher, while four remained unchanged. The index for transportation rose in four cities; fell in five, and held steady in the other. There were four higher indexes for health and personal care, one lower and five unchanged. Six cities had higher recreation-and-reading indexes; four cities had unchanged indexes. Six tobacco-and-alcohol indexes were unchanged, while two rose and two fell.