

THE GOLD AND SILVER INDUSTRIES
IN THE WORLD, UNITED STATES
AND ARIZONA

SALIENT STATISTICS
YEAR 1963

Compiled By

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Fairgrounds, Phoenix, Arizona 85007

Frank P. Knight, Director

Frank J. Tuck, Statistical Consultant

SOURCES

U. S. BUREAU OF MINES REPORTS
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THE GOLD INDUSTRY

GOLD IN 1963

Prepared August 17, 1964 (Received September, 1964)
By J. P. Ryan, Physical Scientist

Mine production of recoverable gold in the United States in 1963 declined 6 percent to 1.45 million ounces valued at \$50.9 million, according to the Bureau of Mines, U. S. Department of the Interior. The 1963 output was the lowest peacetime production in more than 100 years.

The decline in domestic gold production was attributed principally to reduced dredging operations in Alaska and California and lower recovery of byproduct gold in Colorado, Montana, and Utah. The gold mining industry continued to be adversely affected by increasing production costs in relation to the fixed price of gold. Some placer mines closed when reserves were depleted.

The sharp drop in Alaska's gold output reflected chiefly the loss of production from two large dredging operations in the Nome district which closed down last year. California's output of gold also dropped sharply as both placer and lode gold mining operations were curtailed. In Colorado the closing of the Camp Bird mine reduced production of gold-bearing ore and contributed to the 32-percent drop in the State's gold output. The decline in Montana's gold output to the lowest level on record reflected a reduction in production of copper ore yielding byproduct gold. The 42-percent gain in Nevada's gold output was attributed entirely to increased production at the Getchell mine in its first full year of operation following completion of a new gold recovery plant. South Dakota and Utah, the two leading gold-producing States, furnished 60 percent of the total domestic output. About 64 percent of the total gold produced came from gold ores and placers; the remaining 36 percent was recovered as a byproduct of base metal ores.

World gold output rose 1.9 million ounces to 51.7 million ounces valued at \$1.81 billion. The 1963 gain was the 10th successive annual production increase, again attributed almost entirely to continued expansion of mining operations in the Republic of South Africa, which more than doubled production since 1954. Ghana was the only other major gold-producing country that recorded a significant increase in gold output. Gold reserves of free-world central banks and government were estimated at \$42.3 billion at yearend, about \$860 million more than at the end of 1962.

Consumption of gold in domestic industries and the arts was 3.6 million ounces, about the same as in 1962 and two and one-half times domestic production. About 80 percent of the total gold sold or transferred was for jewelry, decorative, and dental uses; the remainder was used chiefly for electrical and electronic components in defense and aerospace equipment and in other industrial products. Exports of gold were about one-half those of 1962, nearly all of which went to France and the United Kingdom. Imports during the year were about 30 percent of the gold imported in 1962. Canada, Colombia, and Philippines supplied more than 90 percent of the total.

Although the U.S. balance-of-payment deficit increased in 1963, the rate of dollar-to-gold conversion was reduced and the gold outflow was only slightly more than half that in 1962. The total U.S. gold stock declined \$461 million to \$15,596 million at yearend. The ratio of gold reserve to Federal Reserve note and deposit liabilities dropped 2.1 percent to 29.7 percent at yearend, in relation to the 25 percent required for legal cover. Administration officials again stated that the price of gold would be maintained at \$35 per ounce. Price quotations in most of the world gold markets remained close to the official United States price.

Nine contracts totaling \$595,348 were executed for gold or gold-silver exploration under the Government program of financial assistance, administered by the Office of Minerals Exploration.

T A B L E I

GOLD MONETARY STOCKS

End of Years 1950 to 1963 Inclusive

In billions of dollars

		U. S. Monetary Stocks	U. S. % of World	World Monetary Stocks ^{1/} Estimated By Federal Reserve ^{2/}
End of	1950	\$ 22.7	63.4%	\$ 35.8
" "	1951	22.7	63.15%	35.95
" "	1952	23.2	64.1%	36.2
" "	1953	22.0	60.8%	36.2
" "	1954	21.7	58.1%	37.35
" "	1955	21.7	58.4%	37.15
" "	1956	21.9	58.1%	37.7
" "	1957	22.85	58.7%	38.9
" "	1958	20.6	51.6%	39.9
" "	1959	19.5	48.0%	40.6
" "	1960	17.8	44.0%	40.5
" "	1961	16.9	41.1%	41.1
" "	1962	16.1	38.7%	41.4
" "	1963	15.6	36.9%	42.3

^{1/} Excluding Russia; but includes International Monetary Fund.

^{2/} Total world gold reserves are not positively known, since some countries do not report.

TABLE II

MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED STATES, BY STATES

(Troy Ounces)

STATE	1962	1963
Alaska	165,259	99,573
Arizona	137,207	140,030
California	106,272	86,867
Colorado	48,882	33,605
Idaho	5,845	5,477
Montana	24,387	18,520
Nevada	62,863	98,879
New Mexico	7,529	7,805
North Carolina	460	33
Oregon	822	1,809
Pennsylvania	(1)	(1)
South Dakota	577,232	576,726
Tennessee	158	137
Utah	311,924	285,907
Vermont	- - -	- - -
Washington	93,671	98,638
Wyoming	- - -	4
TOTAL	1,542,511	1,454,010

(1) Included in Washington

TABLE III

WORLD PRODUCTION OF GOLD

1940 and 1962, 1963

Source: U.S.B.M. Unit: Troy Ounces

	1940	1962	1963
Union of South Africa . . .	14,037,741	25,491,993	27,431,973
Canada	5,311,145	4,178,396	4,011,003
United States *	4,862,979	1,556,000	1,468,750
Australia	1,191,481	1,072,022	1,023,400
Ghana	- - -	16,300	35,719
Southern Rhodesia	826,485	554,647	566,277
Philippines	1,140,126	423,394	376,036
Colombia	631,927	396,827	324,514
Belgian Congo	618,565	203,707	213,995
Mexico	883,117	236,758	237,948
Japan	1/	286,593	261,868
Brazil	318,935	180,000	180,000
India	289,357	163,326	138,280
Other Free Countries	6,857,142	2,549,530	2,636,194
TOTAL FREE WORLD (Estimated)	36,969,000	37,309,493	38,905,957
U.S.S.R. (Estimated)	5,787,000	12,200,000	12,500,000
North Korea & China	- - -	220,000	220,000
Yugoslavia	75,000	70,507	74,043
TOTAL COMMUNIST CONTROLLED .	5,862,000	12,490,507	12,794,043
TOTAL WORLD (Estimated)	42,831,000	49,800,000	51,700,000

* Refined production

1/ Data not available. Estimate included in total.

TABLE IV

SALIENT STATISTICS OF GOLD IN THE UNITED STATES

By Years, 1954-58 Avg., 1959-1963

	(average) 1954-58	1959	1960	1961	1962	1963
United States:						
Mine production--thousand troy ounces--	1,815	1,603	1,667	1,548	1,543	1,454
Value - - - - thousands - - - - -	\$63,542	\$56,103	\$58,337	\$54,189	\$53,990	\$50,890
Ore (dry and siliceous) produced:						
Gold ore - thousand short tons - - -	2,302	2,289	2,267	2,060	2,159	2,477
Gold-silver ore - - - do - - - - -	127	137	347	248	353	223
Silver ore - - - - - do - - - - -	658	597	641	565	524	556
Percentage derived from - -						
Dry and siliceous ores - - - - -	43	50	47	48	47	51
Base-metal ores - - - - -	36	28	37	39	36	36
Placers - - - - -	21	22	16	13	17	13
Imports, general--thousand ounces <u>1/</u> -	4,713	8,485	9,322	1,615	4,312	1,281
Exports <u>1/</u> - - - - - do - - - - -	1,416	50	47	22,146	10,884	5,820
Stocks Dec. 31: Monetary <u>2/</u> - millions	\$21,758	\$19,507	\$17,304	\$16,947	\$16,057	\$15,596
Consumption in industry and the arts						
thousand troy ounces - - -	1,451	2,522	3,000	2,775	3,576	2,920
Price: Average - per troy ounce <u>2/</u> - -	\$35.00	\$35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
World: Production - thousand troy ounces	<u>4/</u> 37,800	<u>4/</u> 42,600	<u>4/</u> 45,100	<u>4/</u> 47,200	<u>4/</u> 49,800	51,700

1/ Excludes coinage.2/ Includes gold in Exchange Stabilization Fund.3/ Price under authority of Gold Reserve Act of Jan. 31, 1934.4/ Revised.

EXCERPTS FROM

"THE PLIGHT OF THE SMALL GOLD MINER" *

by

JOHN R. ROSS

National Chairman

American Gold Association, Inc.

San Andreas, California

* Presented at the 1964 Metal Mining and Industrial Minerals
Convention, American Mining Congress, Portland, Oregon
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The projected price of \$105 per ounce for gold has now been included in measures before Congress, the principles of the various measures being that \$70 per ounce to be paid to gold miners or producers of newly mined domestic gold over and above the static \$35 per ounce price. Some of the proposed measures would vary the payments with the individual mine and that mine's cost on a contractual arrangement. It is the intent of these measures to place such gold into the nation's stockpile of gold which currently backs our currency and which for the past several years has been depleted by America's failures in balance of trade. The measures have been the answers of some lawmakers, and to some extent the American Gold Association, to the very dangerous continued outflow of American gold. Whether or not these answers are the proper ones would be a problem which perhaps your group could more completely explore. We believe it grows more dangerous as the gold outflow continues, not to effect a domestic answer to a domestic monetary problem.

However, the issue has been so mingled with politics, sentiment, and special interest that it has never been made clear to the public. It is this: Under our banking-monetary system, the government asserts a monopoly over the market for gold by compelling miners to deliver gold to the Treasury at a price that has been fixed since 1934 at \$35 an ounce. The Treasury delivers title to this gold to the Federal Reserve System, and the Federal Reserve System, by adding to its government securities or the notes of commercial firms, can create money in the form of Federal Reserve notes or bank credit to the amount of four times the value of the gold received. That is, for each ounce of gold for which the miner receives \$35 in paper money -- NOT REDEEMABLE IN GOLD -- the Federal Reserve can issue \$140 of notes, thus making a profit of \$105 on the transaction. In other words, gold in the hands of the miner who has won it at the expense of his human labor and effort and investment -- and there is still gold being produced by the arduous toil of panning stream beds with human labor -- HAS ONE VALUE -- and in the hands of the central banking and monetary system it has another value four times as great -- a value obtained at the cost only of paper, ink, and engraving. The real truth of the matter is that within a highly specialized society, sound money is an utmost necessity. Such a civilization, if it is to remain prominent, must retain a currency that maintains high purchasing power in terms of goods and services. This can only be achieved if the currency rests firmly on a gold and silver base, and is freely convertible into these precious metals. This establishes a definite limit on the amount of paper that may be printed, holds wages and prices in line, and maintains a high degree of confidence in the monetary unit.

Through a re-opening of the West's gold mining industry, a wonderfully self regenerating backlog of jobs and supplementary contributing industries would create for the nation a stable natural resource that could well rival other mineral production in volume and labor once again in active employment. This is no flight of fancy. If you could look up some of the statistics for your state during the period of 1935 to 1940 you would have some inkling of what might happen should gold mining be revived. *

It would appear that a national increase in the gold price to at least \$105 per fine ounce is essential if we are to have a continued healthy economic life in this country. I do not say that the world should go along with this price, but certainly the U. S. can pull itself by the bootstraps monetarily if it should

* The Arizona Department of Mineral Resources is reprinting its "Discussion of Effect of Gold Mine Closing Order", Pages 9,10,11.

follow such a premise. Such an internal price would have the effect of lowering interest rates, ease the problem of internal finance for continued economic expansion, and form a base for another era of internal prosperity. Traditionally, rare and precious minerals have their fad of development and then fade for a time only to suddenly become the most wanted and sought after. Even the common metals have gone through such a cycle only within the last five or six years. Now certainly it is gold's turn. It has been 24 years since gold has been mined in the United States as anything more than a byproduct. Gold has taken a back seat for so long, under a cloud of derision that has come from politicians, do-gooders and even fellow travelers that the fact that gold is a mineable metal has become hazy and indistinct. As we meet here to contemplate this problem, I feel certain that doomsday for the monetary metals is almost upon us for we have arrayed against the gold miner a huge group of theorists that will accept the easy paper way out of the problem. The prevailing attitude towards specie is undoubtedly a deliberate ruse to trick the gullible into accepting expedients. In other words, keep the inflation going at all cost, for a deflation is certainly the less desirable of the two alternatives. Knowingly or unknowingly, this attitude can only lead to most severe consequences for this nation's economy.

Clearly, there are no pat answers to those that slash with economic theory or those who dash us with cold water of reminder that the revival of gold mining as an industry is a political and physical impossibility.

The gold miner need but the incentive of enlightened leadership, such as persons in this group might lend, to once again save the nation from division and destruction. Let's here and now make a red-letter day for gold mining taking our cross of gold to an enlightened American public and tell them how they might save themselves from economic disaster

Discussion of Effect of Gold Mine Closing Order, and Loss of Silver
Production due to Shut-down of Many Lead-Zinc Mines

A study of the U. S. Bureau of Mines records of United States gold and silver production in the year 1941 and the annual averages for the period 1943-1960, gives an indication of the effect of the gold mine closing order (L-208) in 1942, upon the production of gold and silver lode mines. (Table IV). The annual rate of production of gold dropped from 4,070,378 ounces in 1941 to 1,133,844 ounces in the period 1943-1960. This mean an annual loss of 2,936,534 ounces, or a possible total loss of 52,857,612 ounces for the 18-year period. Assuming a normal growth-rate of 2.5 percent per year during the 18-year period, the loss in production would have amounted to 76,643,537 ounces of gold (52,857,612 x 145%), worth \$2,682,523,795.

The recovery of this gold would have helped to offset partly the recent decline in monetary gold stocks, which has been causing so much concern. Although the gold mines were permitted to re-open after World War II, most of them had deteriorated during the shut-down, and rapidly increasing costs had prevented others from re-opening.

Also, in many of the lode mines, both gold and silver occurred together, and there was a resultant loss in silver production. The annual rate of production of silver had been 27,803,661 ounces in 1941, and this rate dropped to 10,918,700 ounces in the 18-year period 1943-1960. This meant a possible annual loss of 16,884,961 ounces, or a possible total loss of 303,929,298 ounces of silver that might have been produced, during the 18-year period, from gold-silver lode mines and placers.

Since 1952, the U. S. lead-zinc industry has been affected by large imports of lead and zinc, and lower prices have caused the shut-down of many mines which had by-products of gold and silver, and the silver was being paid for at only 70 percent of its monetary value of \$1.29 per ounce. Production of silver from these lead-zinc ores amounted to 20,664,369 ounces in 1941, and dropped to an annual average of 15,609,760 ounces in the 18-year period (1943-1960). The possible loss in silver production was therefore 5,054,609 ounces per year, or 90,982,962 ounces in 18 years. Thus there was a total possible loss of 394 million ounces in silver, even without calculating a normal growth-rate in the industry.

U. S. GOLD AND SILVER PRODUCTION IN 1941 COMPARED WITH AVERAGE ANNUAL
PRODUCTION FOR 1943-1960 INCLUSIVE

Source: U.S.B.M.

	GOLD ORES	GOLD-SILVER ORES	SILVER ORES	DRY & SILICEOUS ORES		PLACERS	
	Tons	Tons	Tons	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver
1941	15,117,117	1,447,371	1,074,543	2,582,743	27,609,533	1,487,635	194,128
Avg. 1943-1960	2,580,240	287,360	521,230	727,100	10,868,480	406,724	50,267

	COPPER ORE	Pb-Zn-Cu ORES	ALL BASE METAL ORES	COPPER ORES		Pb-Zn-Cu ORES	
	Tons	Tons	Tons	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver
1941	74,170,056	8,265,580	82,435,636	561,257	18,790,967	119,230	20,664,369
Avg. 1943-1960	94,867,500	10,286,500	105,145,250	489,915	9,218,155	131,062	15,609,760

	TOTAL DRY & SILICEOUS ORES & PLACERS		TOTAL BASE METAL ORES		GRAND TOTAL GOLD - SILVER	
	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver
1941	4,070,378	27,803,661	680,487	39,455,336	4,750,865	67,258,997
Avg. 1943-1960	1,133,824	10,918,700	620,977	24,827,900	1,754,801	35,719,440

Arizona Department of Mineral Resources
October 1963

COMPARATIVE ARIZONA & U. S. GOLD AND SILVER PRODUCTION

FROM GOLD, GOLD-SILVER, SILVER LODE MINES, GOLD-SILVER PLACERS, AND BASE METAL LODE MINES

YEARS 1941 AND 1960

Source: U.S.B.M.

1941	GOLD, GOLD-SILVER, SILVER LODE MINES			GOLD-SILVER PLACERS		TOTAL Au, Ag LODES & PLACERS	
	Tons Ore	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver
Arizona	975,790	144,198	1,195,814	11,931	2,205	156,129	1,198,019
Per Ton		0.148	1.225				
United States	17,639,031	2,582,743	27,609,533	1,487,635	194,128	4,070,378	27,803,661
Per Ton		0.1464	1.565				
1941	BASE METAL LODE MINES			GRAND TOTAL - ALL MINES			
Arizona	24,516,004	159,263	6,300,241	1941	Tons Ore	Ozs. Gold	Ozs. Silver
Per Ton		0.0065	0.257				
United States	82,435,636	680,487	39,455,336	Arizona	25,491,794	315,392	7,498,260
- Per Ton		0.0083	0.479	U. S.	100,074,667	4,750,865	67,258,997

1960	GOLD, GOLD-SILVER, SILVER LODE MINES			GOLD-SILVER PLACERS		TOTAL Au, Ag LODES & PLACERS	
	Tons Ore	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver	Ozs. Gold	Ozs. Silver
Arizona	249,282	2,334	69,480	127	9	2,461	69,489
Per Ton		0.0094	0.279				
United States	3,256,111	791,706	11,493,637	264,109	29,606	1,055,815	11,523,243
Per Ton		0.243	3.53				
1960	BASE METAL LODE MINES			GRAND TOTAL ALL MINES			
Arizona	66,595,962	140,603	4,705,503	1960	Tons Ore	Ozs. Gold	Ozs. Silver
Per Ton		0.0021	0.071				
United States	131,228,431	549,396	19,243,084	Arizona	66,845,244	143,064	4,774,903
Per Ton		0.0042	0.147	U. S.	134,484,542	1,605,211	30,766,327

ARIZONA PRODUCTION OF GOLD AND SILVER IN 1963

By Class of Ore In Terms of Recoverable Metal

Source	Number of Mines <u>1/</u>	Material sold or treated (short tons)	Gold (troy Ozs.)	Silver (troy Ozs.)
LODE ORE:				
Dry Gold	4	80	50	76
Dry Gold-Silver . . .	8	117,705	383	12,519
Dry Silver	22	31,068	5	10,307
TOTAL	34	148,852	438	22,902
Copper	34	80,615,132	121,177	4,494,239
Copper-Zinc	4	116,251	154	45,560
Lead	9	2,127	33	10,982
Lead-Zinc	2	293,021	17,486	766,898
Zinc	2	8,454	- -	6,299
TOTAL	50	81,034,985	138,850	5,323,978
OTHER "LODE" MATERIAL:				
Gold Mill Clean-up . .	<u>2/</u>	20	43	43
Gold Tailings	<u>1</u>	50	26	13
Gold-Silver Tailings .	2	28,391	570	11,835
Copper Clean-up . . .	<u>2/</u>	1,715	49	1,220
Copper Precipitates .	<u>14</u>	67,841	-	- -
Lead Clean-up	<u>2/</u>	4	1	7
Uranium Ore	-	- -	-	13,055
TOTAL	17	98,521	689	26,173
TOTAL "LODE" MATERIALS	90	81,282,358	139,977	5,373,053
PLACER	4	- - -	53	5
TOTAL ALL SOURCES	94	81,282,358	140,030	5,373,058

1/ Detail will not necessarily add to totals because some mines produce more than one class of material.

2/ From properties not classed as mines.

THE SILVER INDUSTRY

SILVER IN 1963

Prepared August 21, 1964, by J. P. Ryan, Physical Scientist

Domestic mine production of recoverable silver dropped 4 percent to 35.2 million ounces but value of the output increased 13 percent to \$45.3 million, according to the Bureau of Mines, United States Department of the Interior. The falloff in production was attributed chiefly to a 2-month shutdown at the Sunshine mine in Idaho due to a labor strike.

The rise in the market price of silver to its monetary value, and the enactment of legislation repealing the silver purchase laws and transactions tax and authorizing replacement of one and two-dollar certificates by the Federal Reserve notes featured the silver industry in 1963.

In the principal silver-producing States other than Idaho, declines in some States were largely balanced by production gains in others. A 1-percent drop in Arizona's silver output reflected lower output of silver-bearing lead-zinc ores not fully offset by increased output of silver-bearing copper ores. Silver production in Montana declined 9 percent as output of silver-bearing copper and zinc ores from Butte Mines and miscellaneous shippers to the Anaconda smelter was reduced. Decreased silver production in Nevada and New Mexico also reflected lower output of base-metal ores yielding byproduct silver. The sharp drop in Missouri's output of silver, recovered almost entirely from desilverization of lead bullion, was attributed largely to a strike at the Herculaneum smelter during the first 3 months. In Colorado, the gain in silver production resulted chiefly from increased output of lead-zinc-silver ores at the Eagle and Idarado mines. Similarly, the gain in Utah's silver output reflected increased production of silver-lead-zinc ores which more than offset a decrease in silver recovered as a byproduct of copper ore. Idaho contributed 47 percent of the total domestic output of silver. About two-thirds of the total domestic silver output was recovered as a byproduct of ores mined chiefly for base metals and gold; virtually all of the remainder came from silver ores in Idaho.

World silver production was estimated at 249.5 million ounces, about 7.7 million ounces more than in 1962. Output increased in Canada, Mexico, Peru, Honduras, Bolivia, and Australia, but declined in the United States and the Congo. Consumption of silver in free-world countries was estimated at 419.2 million ounces, 9 percent more than in 1962.

Consumption of silver in domestic industries and the arts was 110.0 million ounces, about the same as in 1962, but U.S. coinage requirements advanced sharply to 111.5 million ounces compared with 77.4 million ounces in 1962. Consumption of silver for some uses such as sterling declined and was curtailed in others because of its increased cost, but increases were noted in silver consumed in such industrial uses as electrical and electronic products. Demand for subsidiary coins increased as the use of coin-operated vending machines and meters continued to expand, and more coins were withdrawn from circulation.

The price of silver in the New York market ranged from a low of 121.0 cents at the beginning of the year to a high of 129.3 cents in September after which it remained unchanged to the end of the year. The average price for the year was 127.912 cents an ounce.

Imports of silver in ore and bullion declined 23 percent to 59.1 million ounces valued at \$67.3 million. Imports from Canada dropped 5.6 million to 18.6 million ounces, imports from Mexico decreased 9 percent to 13.9 million ounces, and imports from Peru were down slightly compared with 1962. United States exports of silver were 31.5 million ounces, more than twice exports in 1962.

Withdrawals for subsidiary coinage, redemption of silver certificates for commercial use, and sales to other government agencies reduced Treasury silver stocks of bullion and coin 182.3 million ounces to 1,584.3 million ounces at yearend. Only 2.3 million ounces was received by the Treasury, nearly all of which came from coins withdrawn from circulation for recoinage.

Four contracts totaling \$620,660 were executed for exploring silver deposits under the Government program of financial assistance to the mining industry administered by the Office of Minerals Exploration. The Government share of the exploration cost was 50 percent.

TABLE I

SALIENT SILVER STATISTICS

Source: U.S.B.M.

	1954-58 (average)	1959	1960	1961	1962	1963
United States:						
Mine Production - thousand troy ounces .	37,027	31,194	30,766	34,794	36,800	35,242
Value thousands	\$33,512	\$28,232	\$27,845	\$32,167	\$34,021	\$45,077
Ore (dry and siliceous) produced						
(thousand short tons):						
Gold ore	2,302	2,289	2,267	2,060	2,159	2,460
Gold-silver ore	127	137	347	248	353	223
Silver ore	658	597	641	565	557	587
Percentage derived from . .						
Dry and siliceous ores	34	45	37	39	33	33
Base-metal ores	66	55	63	61	67	67
Imports, general 1/ thousand troy ounces .	142,067	69,088	60,657	50,256	76,359	59,062
Exports 1/ do	5,026	9,180	26,593	39,828	13,057	31,485
Stocks Dec. 31: Treasury						
million troy ounces . .	1,993	2,060	1,992	1,863	1,767	1,584
Consumption in industry and the arts						
thousand troy ounces . .	93,660	101,000	102,000	105,500	110,400	110,000
Coinage do	36,554	41,400	46,000	55,900	77,368	111,493
Price .. per troy ounce	2/\$ 0.905+	2/\$0.905+	2/\$0.905+	3/\$0.924+	3/\$1.085+	3/1.279+
World: Production - thousand troy ounces	4/227,600	4/222,300	4/241,000	4/236,900	4/241,800	249,500
Consumption 5/ industry and						
the arts . . thousand troy ounces	194,520	212,900	224,600	239,500	247,800	247,000
Coinage do	71,260	86,400	4/103,900	4/137,100	4/136,400	172,200

1/ Excludes coinage.

2/ Treasury buying price for newly mined silver.

3/ Average New York Price.

4/ Revised figure.

5/ Free World only.

TABLE II

MINE PRODUCTION OF RECOVERABLE SILVER IN THE UNITED STATES

By States		In Troy Ounces	
State	1962	1963	
Alaska	22,199	14,010	
Arizona	5,453,585	5,373,058	
California	132,505	156,528	
Colorado	2,087,813	2,307,305	
Idaho	17,772,435	16,710,725	
Illinois	- - - -	- - - -	
Kentucky	1,410	1,515	
Michigan	401,491	338,997	
Missouri	490,896	131,664	
Nevada	245,164	214,976	
Montana	4,560,714	4,241,620	
New Mexico	301,549	256,475	
New York	19,451	19,544	
North Carolina	100,439	26,754	
Oregon	6,047	58,234	
Pennsylvania	(1)	(1)	
South Dakota	113,052	117,301	
Tennessee	112,251	107,913	
Texas	- - -	- - -	
Utah	4,628,446	4,790,511	
Vermont	- - -	- - -	
Virginia	- - -	- - -	
Washington	350,185	374,373	
Wyoming	- -	- - -	
Total <u>2/</u>	36,800,000	35,242,000	

1/ Combined with Washington.

2/ Data may not add to totals shown because of rounding.

TABLE III
WORLD PRODUCTION OF SILVER
YEARS 1961, 1962, 1963, and 5-YEAR AVERAGE 1956-1960

Source: U.S.B.M.		In Thousand Troy Ounces			
	5-YEAR AVERAGE (1956-1960)	1961	1962	1963	
Mexico	45,284	40,342	41,249	42,760	
United States	35,244	34,795	36,345	35,000	
Canada	30,821	31,168	30,669	30,739	
Peru	25,763	33,582	36,017	36,447	
Australia	15,329	13,000	17,250	18,900	
Japan	6,546	7,947	8,620	8,787	
Belgian Congo	3,876	3,470	1,190	1,097	
Other Free Countries	31,997	30,936	33,373	36,294	
TOTAL FREE WORLD	194,860	195,290	204,713	210,024	
U.S.S.R. (Estimated)	25,000	25,000	27,000	27,000	
OTHER Communist (Estimated).	10,820	11,410	10,687	12,476	
Total Communist Controlled	35,820	36,410	37,687	39,476	
TOTAL WORLD	230,680	231,700	242,400	249,500	

TABLE IV
FREE WORLD CONSUMPTION FOR PAST FIVE YEARS

In Millions of Troy Ounces as Reported by Handy and Harman.

Year	UNITED STATES		REST OF FREE WORLD		TOTAL		GRAND
	Arts & Industry	Coinage	Arts & Industry	Coinage	Arts & Industry	Coinage	TOTAL
1959	100.0	40.7	111.8	43.5	211.8	84.2	296.0
1960	100.0	46.0	116.0	47.3	216.0	93.3	309.3
1961	105.0	54.2	133.1	59.8	238.1	114.0	352.1
1962	110.0	77.4	129.3	35.2	239.7	112.6	352.3
1963	110.0	111.3	137.0	60.9	247.0	172.2	419.2
5-Yr. Avg.	105.0	66.0	125.4	49.3	230.5	115.3	345.8

TABLE V

TREASURY SILVER

Compiled from Engineering & Mining Journal's Annual Review, February, 1964

Millions of Troy Ounces

	Dec. 31 1963	Dec. 31 1962	Dec. 31 1961	Dec. 31 1951
Held in Treasury:				
Securing Silver Certificates:				
Silver Bullion	1,532.5	1,654.5	1,730.5	1,603.7
Silver Dollars	22.1	73.6	101.0	232.8
Subsidiary Coin	4.5	3.2	2.7	1.2
Free Silver Bullion	25.2	37.0	28.5	124.5
Total Treasury Stocks	1,584.3	1,768.3	1,862.7	1,962.2
Outside the Treasury:				
Silver Dollars	352.9	302.7	276.0	148.0
Subsidiary Coin	1,363.4	1,269.6	1,210.4	783.5
Total Silver Outside Treasury	1,716.3	1,572.3	1,486.4	931.5
TOTAL SILVER	3,300.6	3,340.6	3,349.1	2,893.7

E. & M. J. New York Market Price of Silver in Cents per Troy Ounce.

1955	89.099	Jan. 1963	124.382
1956	90.826	Feb. 1963	125.644
1957	90.820	Mar. 1963	127.138
1958	89.044	Apr. 1963	127.290
1959-	91.202	May. 1963	127.873
1960	91.375	June 1963	127.685
1961	92.449	July 1963	128.991
1962	108.375	Aug. 1963	128.782
1963	127.912	Sept 1963	129.260
		Oct. 1963	129.300
		Nov. 1963	129.300
		Dec. 1963	129.300

RESOLUTION PASSED AT
AFTERNOON SESSION SEPTEMBER 16, 1964
AMERICAN MINING CONGRESS
PORTLAND, OREGON

GOLD, SILVER AND MONETARY POLICIES

Gold mining in the United States is rapidly facing extinction. Several past administrations have expressed concern over our dwindling gold reserves, and while various governmental measures have temporarily slowed the outflow of gold, significant short-term credits held by foreign investors and convertible into gold continue to increase. Nevertheless, international monetary experts recognize that lack of liquidity and progressive depreciation of the dollar caused by constant inflation pose grave and complex financial problems for the nations of the Free World.

Until gold is revalued in terms of the already depreciated world currencies, including the dollar, historical monetary experience and common economic sense require measures to increase our domestic gold production, thereby strengthening the nation's gold reserves in the interest of national security.

Pending decision on the revaluation of gold by international action, we recommend:

1. Legislation to grant American citizens the right to own gold.
2. Legislation to provide some type of financial assistance which will preserve our few existing gold mines, provide incentives to reopen dormant mines and encourage the search for new properties, thus revitalizing the gold industry of the United States which only a few decades ago provided employment for thousands of miners.
3. Retention of 25 percent gold backing for Federal Reserve notes and deposits.

The anticipated demand for silver in industry and for coinage is resulting in drastic depletion of Treasury reserves and we expect this trend to continue and accelerate. The Treasury has an intensely practical problem of maintaining adequate stocks of silver to serve both as a strategic reserve of this essential defense metal (there being no government reserve outside the Treasury) and as a base for subsidiary coinage. We reiterate the essential need and desirability for silver in subsidiary coinage, not only for its intrinsic value but also for its prestige and dignity, which our nation cannot afford to sacrifice.

We commend the Congress for its proposed joint resolution directing the Treasury to proceed with a study of the problem, and we offer our cooperation to the Treasury in seeking a solution.