Mineral production was recorded for 63 mineral commodities in 1965, the leaders being crude oil, nickel, iron ore, copper, zinc, natural gas, cement, asbestos, gold and sand and gravel. These 10 commodities accounted for 79 p.c. of the industry's output. Notwithstanding this, there were important gains for several other minerals—notably natural gas by-products, molybdenum, potash and elemental sulphur—indicative of growing mineral diversification. There is also increasing regional diversification caused by greater mineral industry activity throughout the country, resulting in particularly marked gains in British Columbia, New Brunswick and Newfoundland, and in appreciable increases in all other provinces except Nova Scotia where the decline of the coal industry is having an adverse effect. Canada's land area of 3,600,000 sq. miles and extensive offshore areas provide great scope for continuing discovery and expansion. This trend to diversification is also evident from the output increases for most of the minerals produced and from the fact that Central Canada—Ontario and Quebec—now accounts for 45 p.c. of the country's output compared with close to 62 p.c. at the end of World War II.

The Canadian mineral industry is strongly export-oriented and, consequently, production increases are determined in considerable part by progress in export markets. The metallic mineral sector, in general, is an export industry, close to four fifths of its output being exported. Exports of all mineral materials in crude and fabricated forms in 1965 totalled $2,782,000,000. The mineral industry is the country's leading export industry and for several years has been accounting for close to one third of the value of all merchandise exports. In 1965, the United States took 59 p.c. of Canada's mineral exports, Britain took 19 p.c., the European Common Market 8 p.c. and Japan 4 p.c.; the remaining 10 p.c. had a world-wide distribution.

Mineral industry growth is greatly dependent on continuing large-scale investment for resource development and plant expansion. Capital and repair expenditures in mining, quarrying and oil wells in 1965 amounted to $881,000,000, 9 p.c. greater than in 1964. The forecast for 1966 is $1,132,000,000, an increase of 28 p.c. over 1965 and a dramatic indication of the scale of expansion now under way in the industry.

Associated with mineral production growth and capital investment, there has been continuing progress in mining technology. Highly competitive world markets, rising labour and material costs, shortages of workers, and the opening up of more remote mineral properties have all contributed to the drive toward lower costs and greater efficiency in mining operations. In striving to be more competitive, the Canadian mineral industry has begun to increase its investment in research and to turn its attention to the problem of the shortage of engineers and scientists in the industry. As a result, research establishments are being enlarged and an active campaign is under way to encourage more young people to take university or technical school training in preparation for scientific, engineering and technical work in the Canadian mineral industry. Many companies have reported recent advances in mining procedures in Canadian mines that are resulting in greater efficiency.

The relatively high increase in value of metallics output in 1965 was the result of both price and quantity factors. Prices for the major base metals were firm and in some cases higher. Output of iron ore and base metals was high as new facilities commenced production and some existing facilities were expanded. Marked advances were made in lead with a gain in output value of about 62 p.c., in zinc of nearly 30 p.c., nickel 15 p.c. and copper of nearly 20 p.c. Nickel regained first place from iron ore as Canada's leading metallic mineral. Several copper, copper-zinc and copper-nickel mines commenced production in 1965 and others were being developed or planned for production in the next few years. The year heralded Canada's emergence as a major molybdenum-producing country, surpassed only by the United States and probably the Soviet Union. There was