

recent years has Canada become a large producer and exporter of molybdenum, potash and elemental sulphur and only within the past 10 to 15 years has production of petroleum, natural gas, iron ore and uranium contributed significantly to Canada's value of mineral production and exports. The Canadian mineral industry is strongly export-oriented, about 60 p.c. of output going to foreign markets. It is the country's leading export industry and in 1966 mineral materials in crude and fabricated forms to the value of \$3,123,000,000 were exported. About 60 p.c. of these went to the United States, 18 p.c. to Britain and 7 p.c. to countries of the European Common Market; the remainder had world-wide distribution.

The rate of growth of the mineral industry is dependent primarily upon Canada's competitive position in world mineral markets. Equally important is the continuing large-scale investment of capital for mineral exploration and development and the expansion of existing production facilities. Capital and repair expenditures in mining, quarrying and oil wells in 1966 reached a record \$1,383,000,000 compared with \$1,084,000,000 in the previous year. Canada is a world leader in the development and/or adoption of new mining techniques and mineral treatment processes so that its competitive position may remain high. To combat rising labour and material costs, overcome shortages of workers, and continue with the development of mineral properties in more remote areas it is necessary always to strive for greater productivity and consequent lower cost. To this end, research and development by governments and major mining companies play an increasingly important role and much attention is being given to relieving the shortage of engineers and scientists that has plagued the mineral industry in recent years.

In setting a new record in value of output in the metallics sector of the industry, there were many significant developments in Canada and throughout the world. Copper was Canada's leading metallic mineral in 1966 followed by iron ore and nickel. There was increased production of molybdenum and silver with other substantial increases assured for 1967. Canada's two largest nickel producers—International Nickel and Falconbridge Nickel—each embarked on expansion programs that will increase production capacity in Canada to about 700,000,000 pounds a year by 1970 from the current 550,000,000 pounds a year. Notwithstanding higher capacity and production, it is expected that nickel will remain in tight supply for some time. Production of both gold and uranium continued to decline. The outlook for gold continued to be bleak because of rising production costs and a fixed price received for gold but the outlook for uranium brightened considerably. Forecasts indicate that uranium requirements for nuclear-generated electric power will increase appreciably in the 1970s and that Canada will be a major contributor to world supply. Production by 1980 will probably reach, and perhaps surpass, the record 15,892 tons of  $U_3O_8$  set in 1959 when it was the leading metallic mineral in Canada.

In the industrial minerals sector, the outstanding developments in the non-metallics during 1966 were again related to gains for potash in Saskatchewan and elemental sulphur from natural gas in Alberta. Gains will continue to be made by both these important commodities as natural gas production increases and further potash properties are developed in Saskatchewan. There was a growing shortage of elemental sulphur throughout 1966 with consequent price increases. This could lead to a critical shortage and substantially higher price because sulphur, primarily used for the manufacture of sulphuric acid, is one of the world's most needed commodities. It is possible that alternative materials such as pyrite (iron sulphide) may find increasing acceptance as a source of sulphur. It is expected that Canada will become the world's largest potash producer in the 1970s from the extensive beds that underlie much of the southern third of Saskatchewan. They constitute the largest and highest-grade potash reserves in the world and in addition to the three properties in production in 1966 it is expected that at least another six will reach production in the early 1970s. Production of asbestos was at an all-time high in 1966 at nearly 1,500,000 tons of fibre worth \$163,655,000. Canada and the Soviet Union each supply about 40 p.c. of the world's needs. The continuing high production of structural materials was a reflection of the high rate of construction activity throughout Canada.