

have a strong future; immediate plans for expansion include new and enlarged processing facilities. Present Canadian capacity is 47.3 million long tons mine output, with 25.5 million long tons pelletizing capacity. There are four producing provinces: Newfoundland (Labrador), Quebec, Ontario and British Columbia; Newfoundland (Labrador) production dominates while in British Columbia its importance is minor.

Zinc production in 1971 achieved a record value of \$418 million while production (all forms) fell to 1.3 million tons, a decrease of less than 1% from 1970. Canada remained the world's leading mine producer, accounting for 30% of total free-world production.

The value of production of mineral fuels — coal, natural gas, natural gas by-products and crude petroleum — rose to \$2,014 million in 1971. Encouraging changes have occurred in the domestic coal industry during the past two years: application of improved transport and mining techniques has revived the western coal industry and improved prices are increasing revenues. While output and revenues increased nationally, growth was mostly in the West. National output in 1971 was 18 million tons (17 million in 1970) with a value of \$122 million (\$86 million in 1970). Eastern output was down 3%, while western output increased by 13% in 1971. Canada is a net importer of coal; 1971 exports were 8 million tons but imports totalled 18 million tons. Exports should reach more than 15 million tons by 1972 under present contracts, mainly with Japanese iron and steel mills, and a balance in external trade in coal may be in sight.

The volume of mineral production index, which measures the mining industry's absolute growth (1961 = 100), increased 4.6% in 1971 to 186.8 from 178.5 in 1970; the 1960-71 average annual rate of growth was 5.7%. In comparison, the volume index of total industrial production increased 4.0% to 182.6 from 175.5 in 1970 and the average annual rate of growth in the period 1960-71 was 6.3% (Table 12.3).

Investment in new installations, equipment and machinery in Canadian mines, quarries and oil wells (including pipelines) was \$1,700 million in 1971 compared with \$1,350 million in 1970 and \$1,180 million in 1969. The forecast for 1972 was \$1,660 million. Although new capital investment can fluctuate greatly from year to year, repair expenditures which usually rise fairly steadily over time would add a further \$490 million to the 1971 new capital value.

The rapid increase in aggregate investment for the mining sector in the years since 1965 conceals declines of new investment in some activities and differences in experience in different regions of Canada. In metal mining, the annual new capital investment was below \$200 million until 1965 but by 1971 it had exceeded \$800 million. Iron mines investment was relatively limited in 1969 and 1970 but in 1971 it more than quadrupled to \$225 million. Other metal mining investment increased from \$399 million in 1970 to \$554 million in 1971. New capital investment in non-metal mining (excluding oil and gas) was less than \$100 million a year up to 1965 but an investment boom in asbestos, potash and coal brought the annual spending up to \$240 million in both 1968 and 1969. Since then this investment has declined to \$160 million for 1971, with a forecast of \$108 million for 1972.

New capital investment in the petroleum and gas industry (mineral fuels excluding coal) climbed fairly steadily from the \$200-to-\$300 million-a-year rate of the early 1960s, to \$640 million in 1970 and \$733 million in 1971; the 1972 forecast was \$730 million. Within this aggregate there was a shift in emphasis; recently, spending on exploration has increased as new finds have been reported in Canada's frontier areas. This investment is expected to increase substantially in the next few years.

Minerals (excluding oil or gas) investment in individual provinces reflects the regional concentration of mineral resources and the medium-term market prospects for those resources. In the Maritime Provinces, absolute values of investment are small and spending patterns are not clear. In Newfoundland (Labrador) iron mine investment is again heavy after a lull. Quebec investment is at moderate levels with increases in asbestos and iron ore; through the 1960s, Quebec mining investment was uneven but iron ore mining and processing expansions are now taking place. In Ontario, the investment expansion that began in 1965 is still accelerating: iron ore, copper-zinc and nickel-copper spending booms have succeeded one another. In the Prairie Provinces, investment has passed through sharply defined phases in the recent past; at present it is improving. Investment in primary industry in British Columbia was stronger than ever in 1971. Coal, particularly, and metals and asbestos expansions account for the fact that British Columbia mining construction has exceeded even that of Ontario from 1968 to 1971.