

The reduction in exports was mainly a reflection of lower steel production in western Europe and the United States, Canada's largest markets, notwithstanding increased shipments to Japan. Imports were down 764,000 tons to 1,362,000 tons in 1971. A United States iron and steel producer, Jones & Laughlin Steel Corporation, sold the Adams Mine to Dominion Foundries and Steel, Limited in September; this resulted in converting 159,000 tons of potential exports to domestic shipments.

Iron ore consumption was down from 1970 by 769,000 tons to 10,896,000 tons and roughly paralleled the decrease of 470,000 net tons in pig iron production to 8,616,000 tons. However, steel production at 12,170,000 net tons was down only 177,000 tons from the year before. This disproportionate decrease compared to that for pig iron production is attributable to a decrease in the hot metal/scrap iron ratio and an increase in electric furnace steel production using scrap. Blast furnace problems experienced by three Ontario integrated producers rather than lack of demand accounted for the lower pig iron production. Domestic iron ore shipments plus imports exceeded consumption by 215,000 tons and stocks at Canadian iron and steel plants rose accordingly.

Canadian annual iron ore production capacity at the end of 1971 totalled 47,650,000 tons including facilities for 25,330,000 tons of pellet and reduced iron. The industry, which began a period of slow growth in 1969, added only 280,000 tons capacity in 1970 and 300,000 tons in 1971. Closure of Coast Copper Company, Limited's 80,000-ton-per-year iron ore recovery plant on Vancouver Island resulted in a loss of capacity in mid-1970.

The 300,000-ton-per-year reduced iron ore plant of Falconbridge Nickel Mines Limited began tune-up operations in early 1971 but at year-end was still encountering new-process difficulties. In May 1971 Inco announced that because of new pollution abatement requirements, increased construction costs and marketing factors it would cancel the nearly completed 250,000-ton-per-year pellet plant expansion. Furthermore, production of pellets, currently around 670,000 tons per year, well below Inco's rated capacity of 850,000 tons per year, will decrease to some 600,000 tons to meet the new Ontario regulations on sulphur dioxide emissions.

Three major projects in Quebec and Labrador were under construction during 1971: expansion of the Iron Ore Company of Canada's 10,000,000-ton-per-year Labrador City concentrator in Newfoundland (Labrador) and construction of its new 6,000,000-ton-per-year concentrator and pellet plant at Sept-Îles, Que., and Quebec Cartier Mining Company's new 16,000,000-ton-per-year concentrator at Mount Wright, Que.

Production of iron ore, including by-product ore, totalled 45,659,067 tons in 1971 compared with 46,984,342 tons in 1970 and 37,047,527 tons in 1969. Iron ore and by-product ore were produced by 17 companies at 18 locations with ten operations in Ontario, three in British Columbia, two in Quebec, two in Newfoundland (Labrador) and one in Quebec - Labrador.

All provinces except British Columbia reported a decrease in shipments in 1971. Quebec, the second largest producer, recorded the largest loss with shipments of 11,042,000 dry tons, 2,394,000 tons less than in 1970, followed by Newfoundland with 19,533,000 dry tons, down 1,502,000 tons. Ontario shipments were down fractionally by 580,000 dry tons to 9,981,000 tons while British Columbia shipments rose slightly by 46,000 dry tons to 1,723,000 tons.

In Quebec and Labrador, production exceeded shipments, and stocks at the mines and shipping ports were up by 2,300,000 tons. Shipments from Iron Ore Company of Canada, the largest Canadian producer, were down 2,915,000 tons from 1970 and totalled 17,193,000 tons, which consisted of 9,476,000 tons of pellets, 5,922,000 tons of direct-shipping ore (from both Quebec and Labrador) and 1,795,000 tons of concentrate. Canada's second largest producer, Quebec Cartier Mining Company, operated at capacity rate but shipped only 7,864,000 tons compared with 8,870,000 tons in 1970. After completing modifications to its regrind mill from wet to dry, Wabush Mines reached capacity production of 6,100,000 tons for the first time but shipments were only 119,000 tons above the 1970 level of 5,478,000 tons. Hilton Mines, a Quebec producer about 40 miles from Ottawa and the only active Quebec iron mine not on the Labrador Trough, operated at slightly above its rated capacity during the year but shipments at 869,000 tons were fractionally lower than in 1970 when shipments were also made from stockpile.

In the Atikokan area of Ontario, Caland Ore Company Limited closed part and then all of