

mineral prices continued to increase rapidly. The value of non-metallic minerals showed an increase of 19.7%.

Petroleum, natural gas, copper, nickel, zinc and iron ore together contribute three quarters of the total Canadian mineral output value and some discussion of production locations and markets is warranted.

Petroleum and natural gas production and refining is Canada's largest mineral industry. Domestic production and exports are small in the context of the world's industry but are of great significance to Canada. The industry's growth in the past two decades has been of particular importance because of its effect on the balance of payments, as a source of revenue to the several levels of government, and for its impact on engineering and construction.

In 1973 total production of crude oil, gas and gas by-products was valued at \$3,047 million, an increase of 37.4% over the 1972 value of \$2,217 million. Crude oil production is concentrated in Alberta, with Saskatchewan in second place and minor production elsewhere. The pattern of crude oil distribution in Canada reflects the National Oil Policy, which allocates markets west of the Ottawa Valley to Canada's mid-continent producers, while Quebec and Maritime markets are supplied by oil from overseas. The mid-continent producers have an export market in mid-continental United States which in 1973 almost equalled the volume imported into eastern Canada. Canada produces oil almost equivalent to its total domestic needs but until the end of 1973 was unable to supply the eastern market at a competitive rate because wellhead prices were higher than imported crude. Alberta oilfields are producing at close to capacity and the region's economic reserves of oil will last 12 years at current depletion rates. Canada's North is the focus of much optimism for large-scale oil finds.

Natural gas is an important domestic product and an increasingly important export product. Generally gas and oil are found together. In Canada, the western provinces have the major proven reserves of gas. The value of the production of gas and gas by-products in Canada in 1973 was \$800.7 million, compared with that of oil at \$2,246.7 million.

Canada's gas reserves are sufficient for 17 years but the known reserves of commercial gas declined for the first time in 1972. This does not include the discoveries of gas in the Arctic because there is as yet no economical method of transporting it to markets in the south. Sales of natural gas and gas by-products totalled \$800.7 million, an increase of 23.5% compared to the previous year. Existing proven reserves of gas in Canada are sufficient to meet normal domestic market growth and to continue meeting present export commitments only in the short term. However, if long-term domestic market growth and current exports to the United States are to be maintained, additional reserves of natural gas must be found in the next decade.

Copper was second by output value in 1973. Production of recoverable copper from Canadian mines rose to 908,241 tons, an increase of 14.5% over the previous year. Copper remained in over-supply in the world but a better balance between supply and demand was achieved during 1973. Copper is produced in all provinces except Prince Edward Island and Alberta. British Columbia, Ontario and Quebec accounted for 38.6%, 31.6% and 17.4% of copper production in 1973, respectively.

Nickel ranked third among Canadian minerals produced in 1973. World over-supply, which led to the accumulation of large stockpiles by Canadian producers during 1971 and 1972, eased in 1973 as demand increased and the market stabilized. Canada is the world's leading producer of nickel.

Iron ore production increased in 1973 to 52.4 million tons. Production was valued at \$606 million, an increase of 12.4% compared to the previous year. Of the 37.1 million tons exported in 1973, the United States received 21.3 million, Britain 4.8 million, Western Europe 7.4 million and Japan 3.9 million. Present Canadian production capacity is about 63 million tons a year including pelletizing capacity of 31 million tons a year. Projects currently under way in the Quebec-Labrador area will increase both production and pelletizing capacities. Newfoundland, Quebec, Ontario and British Columbia are the only producers of iron ore.

Zinc production in 1973 attained a record value of \$652.9 million, an increase of 38% over 1972 although production increased only 9%. Canada remained the world's leading mine producer.

In 1973 mineral investment (including both capital and repair expenditures) in mineral fuels was \$1.1 billion, 15.3% higher than 1972, compared with non-metal mines at \$267.7