

## Canada's mineral industry

12.1

### Review of the industry

12.1.1

The Canadian mineral industry experienced the pressures of strong demand in 1974, followed by recessionary conditions in the major industrialized countries that extended into 1975. The value of mineral production in 1975 increased 14% compared with an increase of 40% the previous year.

Canada's mineral production in 1975 was valued at \$13,403 million compared with \$11,711 million in 1974 and \$8,369 million in 1973. Metal mines output and mineral fuels production showed a decrease of \$8.2 million and an increase of \$1,652 million, respectively, in 1975; non-metal mines showed a moderate increase of about \$33.7 million.

Canada produces about 60 different minerals from domestic deposits. The 10 leading minerals comprised 82% of the total output by value in 1975 compared with 83% in 1974 and 83% in 1973. The 1975 value for the 10 leading minerals totalled \$11,015 million. Individual values were: petroleum \$3,781 million, copper \$1,017 million, nickel \$1,109 million, zinc \$895 million, iron ore \$923 million, natural gas \$1,730 million, natural gas by-products \$768 million, cement \$265 million, asbestos \$267 million and sand and gravel \$260 million. The first four accounted for 57% of the total value of mineral production in 1975 compared to 58% the previous year (Tables 12.1 - 12.5).

Canada produces many of the minerals needed for modern economies although a few, such as manganese, chromium, bauxite and tin, are imported.

The strength of Canada's mineral industry is based on export sales. About 82.0% of the total mineral production was exported with crude minerals comprising 67.2% of the total mineral exports. Apparent consumption of minerals in Canada ranged from 25.6% for copper to 13.8% for zinc.

Exports of minerals and fabricated mineral products have led to several periods of sustained expansion in the Canadian economy in the past and they have been a major factor in the recent increase in Canada's export trade. In 1975 these exports were valued at \$10,987 million or 34.2% of the \$32,096 million total of merchandise exports. This proportion is typical of the past decade and has been maintained despite the sharp increase in Canada's automobile trade with the US in the late 1960s. Increased demand in the US was the main factor in the increase in Canada's exports. The major consumers of Canada's exports of mineral products were: the United States 68.0%, Japan 9.1%, the European Economic Community (EEC) 8.0%, and Britain 6.5%. Comparable percentages for 1974 were: United States 67.8%, Japan 9.7%, EEC 6.5% and Britain 6.4%. Exports to Japan increased markedly although the United States remained Canada's most important export customer.

Mineral production is divided into four sectors: metallics, non-metallics, mineral fuels and structural materials. The contribution of each of these groups to the total value of production in 1975 was as follows (1974 figures in parentheses): mineral fuels 51.1% (44.4%), metallics 36% (41%), non-metallics 6.9% (7.7%) and structural materials 6.0% (6.8%). The value of mineral fuels production increased with the continued rise in export sales. Structural materials are sold mainly in the domestic market where the demand is more stable.

Canada leads the world in mineral exports and ranks third in mineral production behind the United States and the Soviet Union. The mineral industry has always been a major factor in Canada's economic development and is still the main force in the northward advance of Canada's frontiers of population and economic activity.