

The prices of most minerals, especially the non-ferrous metals, showed great strength in part of 1974, but in general declined in 1975. This is partly due to inflation and partly a result of a greater than anticipated economic expansion in the United States, Japan and Europe, followed by recessionary conditions in 1974 and 1975. The price index for ferrous metals, iron ore, ferro-alloys and additives showed an increase of 15.0% over 1974. Non-ferrous metals reached their peak value in 1970 and declined less than 1% in 1975. Non-metallic mineral prices continued to rise rapidly, with their value showing an increase of 18.3%.

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 1975 total production of crude oil, gas and gas by-products was valued at \$6,279 million, an increase of 28.1% over the 1974 value of \$4,900 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 traditionally allocated markets west of the Ottawa Valley to Canada's mid-continent producers, while Quebec and Maritime markets were supplied by oil from overseas. Canada has produced oil almost equivalent to its total domestic needs and has tended to import oil in eastern Canada from overseas and export oil to US markets in the mid-west. The possibility of depletion has been of concern and has affected the amount made available for export. 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 gas and gas by-products produced in Canada in 1975 was \$2,497.4 million, compared with that of oil at \$3,781.1 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 \$2,498.0 million, an increase of 81.3% over 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.

Nickel ranked third among Canadian minerals produced in 1975. 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.

Copper was fourth by output value in 1975. Production of recoverable copper from Canadian mines dropped to 798,132 tons (724 053 tonnes), a decrease of 11.8% from the previous year. Copper remained in over-supply in the world but a better balance between supply and demand had been achieved. Copper is produced in all provinces except Prince Edward Island and Alberta. British Columbia, Ontario and Quebec accounted for 39.7%, 39.2% and 19.9% of copper production in 1975, respectively.

Iron ore production rose in 1975 to 49.4 million long tons (50.2 million t). Production was valued at \$923 million, an increase of 27.5% compared to the