

Canada's mineral industry

12.1

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 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.

The overall demand for Canadian non-fuel minerals in 1976 was up from 1975. Market conditions, however, varied widely among commodities. The value of mineral production in 1976 increased 15.4% compared with a 13.6% increase in 1975.

Canada's mineral production in 1976 was valued at \$15,393 million compared with \$13,347 million in 1975. Shipments of metals increased by 9%, non-metals 22%, fuels 20% and structural materials 6% during 1976.

Canada produces about 60 different minerals from domestic deposits. The 10 leading minerals comprised 84% of the total output by value in 1976 compared with 82% in 1975 and 83% in 1974. The 1976 value for the 10 leading minerals totalled \$12,954 million. Individual values were: petroleum \$4,128 million, natural gas \$2,467 million, iron ore \$1,241 million, nickel \$1,232 million, copper \$1,126 million, zinc \$862 million, natural gas byproducts \$794 million, asbestos \$446 million, cement \$339 million and sand and gravel \$321 million. The first four accounted for 59% of the total value of mineral production in 1976 compared to 57% in 1975 (Tables 12.1 - 12.5).

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

Export sales

12.1.1

The strength of the industry is based on export sales. About 82.0% of total mineral production was exported with crude minerals comprising 67.2% of total mineral exports.

Exports of crude and fabricated non-fuel mineral products brought several periods of sustained expansion in the economy in the past and have been a major factor in increased export trade. In the first nine months of 1976 these exports were valued at \$5,200 million or 18.8% of Canada's total exports of all products. This proportion is typical of the past decade and has been maintained despite the sharp increase in Canada's automobile trade with the United States in the late 1960s. Increased US demand was the main factor in the increase in Canada's exports. Major consumers of Canada's exports of mineral products were: United States 55%, European Economic Community (EEC) 22%, and Japan 8%. Comparable percentages for 1975 were: United States 68%, EEC 15% and Japan 9%. Exports to EEC increased markedly although the United States remained Canada's most important export customer.

Sectors of production

12.1.2

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 1976 was as follows (1975 figures in brackets): mineral fuels 51.9% (49.8%), metallics 34.0% (36.0%), non-metallics 7.4% (7.0%) and structural materials 6.6% (7.2%). Value of mineral fuels production increased with the continued rise in export sales. Structural materials are sold mainly in the domestic market where demand is more stable.

Prices of most minerals, especially non-ferrous metals, showed great strength in part of 1974, but in general declined in 1975 and 1976. This was partly due to inflation and partly a result of an economic expansion that had been greater than anticipated in the US, Japan and Europe, followed by recessionary conditions in late 1974 and 1975.

Leading minerals

12.1.3

Petroleum, natural gas, iron ore, copper, nickel and zinc together contribute three-quarters of total Canadian mineral output value. Petroleum and natural gas production