and refining is Canada's largest mineral industry. Domestic production and exports are small in the context of the world 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 1976 total production of crude oil, gas and gas byproducts was valued at $7,389 million, an increase of 21.8% over the 1975 value of $6,067 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 a national oil policy, allocating markets west of the Ottawa Valley to Canada's mid-continent producers while Quebec and Atlantic markets were supplied by overseas oil. Canada has produced oil almost equivalent to its total domestic needs but has imported oil in Eastern Canada from overseas and exported western oil to US markets. The possibility of depletion has been of concern and has affected amounts made available for export. Alberta oilfields are producing at close to capacity and the region's economic reserves of oil will last 13 years at current depletion rates. Canada's North is the focus of 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, western provinces have the major proven reserves of gas. The value of gas and gas byproducts produced in 1976 was $3,261 million compared with oil at $4,128 million.

Canada's gas reserves are sufficient for 21 years but known reserves of commercial gas declined for the first time in 1972. This does not include discoveries of gas in the Arctic because there is as yet no economical method of transporting it to southern markets. Sales of natural gas and gas byproducts showed an increase of 42% over the previous year. Existing proven reserves of gas 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.

Iron ore production rose in 1976 to 56.9 million tonnes. Production was valued at $1,241 million, an increase of 35.2% compared to 1975. Of the 44.7 million tonnes exported in 1976, the United States received 24.5 million tonnes, EEC 14.2 million tonnes and Japan 5.1 million tonnes. Projects currently under way in the Quebec–Labrador area will increase both production and pelletizing capacities. Production capacity is expected to increase from 47 million tonnes of iron ore products in 1970 to approximately 79 million tonnes by 1978. Newfoundland, Quebec, Ontario and British Columbia are the only producers of iron ore.

Nickel ranked fourth among Canadian minerals produced in 1976. World oversupply, which led to accumulation of large stockpiles by Canadian producers during 1971 and 1972, eased in 1973 as demand increased. Canada is the world's leading producer of nickel.

Copper was fifth by output value in 1976. Production of recoverable copper from Canadian mines dropped to 747 135 tonnes, a decrease of 2% from 1975. Copper remained in oversupply in the world but a better balance between supply and demand was achieved. Copper is produced in all provinces except Prince Edward Island and Alberta. British Columbia accounted for 36.6%, Ontario for 34.6% and Quebec 16.1% of 1976 production.

Zinc production in 1976 declined nominally to 1.04 million tonnes from 1.06 million tonnes. Value also declined as a result, but Canada remained the world's leading producer of zinc.

12.1.4 Growth of the industry

In 1976 mineral investment (including both capital and repair expenditures) in mineral fuels was $2.5 billion, 32% higher than 1975, compared with non-metal mines at $562.9 million, up 6.2%, and metal mines at $1,394.0 million, up 13.8%. Similarly, in mineral manufacturing, investment in non-metallics at $390.6 million was 6.9% higher than