

### 12.1.3 Leading minerals

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 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 1978 total production of crude oil, gas and gas byproducts was valued at \$11.2 billion, an increase of 13.8% over the 1977 value of \$9.9 billion. Crude oil production is concentrated in Alberta, with Saskatchewan second 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 near 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 1978 was \$4.8 billion compared with oil at \$5.7 billion.

In 1978 iron ore production fell to 39.6 million tonnes (t). Production was valued at \$1.2 billion, a decline of 16.4% compared to 1977. Exports amounted to 32.0 million tonnes. The low level of shipments was due primarily to a strike of about four months duration in the Quebec-Labrador region. Nonetheless, iron ore ranked third among Canada's minerals in terms of production. Newfoundland, Quebec, Ontario and British Columbia are the only producers of iron ore.

Copper was fourth by output value in 1978. Production of recoverable copper from Canadian mines dropped by 7.2% to 657 500 t. 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 41.7%, Ontario for 29.6% and Quebec for 13.5% of 1978 production.

Zinc production in 1978 declined to 1.03 million tonnes from 1.07 million. Value also declined, but Canada remained the world's leading producer of zinc.

Coal production reached 30.3 million tonnes, up 6.0% from 28.7 million in 1977.

Nickel ranked seventh among Canadian minerals produced in 1978. Production declined 44.0% to 130 100 t as a result of cutbacks because of high inventories and a labour strike.

### 12.1.4 Growth of the industry

Estimated overall capital expenditures (capital and repair) in the mineral extraction industries declined 2.3% in 1978 to \$5,058 billion. Investment in petroleum and natural gas was \$3.2 billion, 5.3% higher than 1977, compared with non-metal mines at \$818 million, up 8.9%. Metal mines, at \$1.1 billion, were down 24.5%. Investment in iron mines fell to \$362 million from \$635 million in 1977, and fell \$38 million, or 10.2% to \$337 million for non-ferrous metal mining.

In mineral manufacturing, investment in non-metallics at \$470 million was 4.7% higher than 1977, compared with petroleum and coal products at \$510 million, down 6.4%, and primary metals at \$1.5 billion, up 8.8%.

The volume index of mineral production, which measures the mining industry's absolute growth, based on the revised index of 1971 = 100, fell to 104.4 in 1978 from 114.3 in 1977.

## 12.2 Provincial summary

Alberta accounted for 49.6% and Ontario 13.2% of the Canadian output value of minerals in 1978. Quebec accounted for 9.3%, British Columbia 9.2%, Saskatchewan