

10.1.2 Export sales

Mineral industry exports have traditionally contributed more than a third to Canada's total merchandise exports. Historically these exports were predominantly non-fuel materials, 80% or more in the mid-1960s. As energy prices increased in the early 1970s, energy exports became more significant, and in 1975 exceeded non-fuel mineral exports, accounting for 52% of total mineral exports. Then the value of energy exports declined, and in 1980 amounted to 40% of the total.

Exports of crude and fabricated mineral products totalled \$24.3 billion in 1982, of which 70.5% went to the United States, 7.6% to Japan and 9.4% to the European Economic Community. Of the total, \$14.1 billion were crude minerals representing 12.5% of total domestic exports. The value of mineral exports was down 6.7% from the previous year, reflecting the worldwide pervasiveness of the recession. Imports of crude and fabricated minerals dropped significantly to \$13.2 billion in 1982 from \$18.3 billion in 1981, contributing to an overall foreign merchandise trade surplus of \$18.3 billion, up from \$7.4 billion in 1981.

10.1.3 Leading minerals

Petroleum and natural gas production and refining in Canada represents the largest part of the mineral industry. Domestic production and exports are small in the world industry context but are of great significance to Canada. The industry's growth in the past two decades has been important 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, construction and other industrial activity.

Total production of crude oil, natural gas and byproducts in 1982 was valued at \$20.9 billion, an increase of 43.2% over the 1979 value of \$14.6 billion. Crude oil production is concentrated in Alberta, with Saskatchewan second and minor production elsewhere. Generally, gas and oil are found together. Western provinces have the major proven reserves of gas.

The coal sector enjoyed renewed vitality over the four-year period with production and consumption up despite the recession. Volume of output reached 43 million tonnes in 1982, up from 33.2 million in 1979.

Canada ranked fourth in the world in copper production. British Columbia, Ontario and Quebec are the major producers. Volume of output was 12% lower in 1982 than in 1981 in response to reduced world consumption.

Shipments of iron ore in 1982 were 34.5 million tonnes, down from 49.5 million tonnes in 1981 and the peak level of 59.6 million tonnes in 1979. A severe decline in 1982 in the demand for iron and steel products forced the industry to operate at about 50% of annual capacity.

Canada is the largest nickel producer in the world. The commodity output measured 126 482 tonnes in 1979 and increased 54% to 184 802 tonnes in 1980. Problems of oversupply and reduced worldwide consumption however, brought production cuts in 1982. Volume of output fell 44.6% to 88 745 tonnes in 1982 compared with 1981.

Output of zinc reached 1.0 million tonnes in 1982 with a value of \$1.1 billion. The commodity fared better than most throughout the recession even though prices were less than half the pre-recession levels.

The gold industry exhibited an encouraging growth rate over the four-year period, increasing in value from almost \$591 million in 1979 to \$929 million in 1982.

10.2 Provincial and territorial summary, 1978-82

The value of mineral production in the provinces and territories generally showed rapid growth during 1979 to 1981 and then a sharp decline in 1982.

Newfoundland. Mineral production decreased by 7.2% from 1978 to 1982, primarily because of the shut-down in the province's iron ore mines. The value of all minerals in 1982 was \$626 million, down 39.3% from 1981. Production of iron ore, which normally accounts for over 85% of the total value of provincial output, fell 37.0% to \$559 million. Shut-downs of asbestos and base-metal mines also contributed to the decline.

Prince Edward Island. The value of mineral production fell by 0.7% to \$2.1 million. The province produces only sand and gravel for local use.

Nova Scotia. The value of mineral production increased by 38.6% over the four-year period, reaching \$292 million in 1982. Coal was up 32.3% to \$170 million, but salt decreased 15.7% to \$31 million. Nova Scotia is Canada's largest producer of gypsum, second in salt and third in coal. Coal production capacity was being increased by the development of offshore coal deposits.

New Brunswick. The value of mineral production increased by 52.2% from 1979 to 1982. In 1982, mineral production declined 2.7% from 1981 to \$517 million. The value of zinc output declined 2.9% to \$265 million, and lead fell by 11.6% to \$59 million. New Brunswick is Canada's second largest producer of zinc and third in silver. Two potash mines were being developed and a third potash deposit was being explored. The start-up of a tungsten mine was delayed.

Quebec. Mineral production fell by 11.7% in the four-year period and 17.1% from 1981 to \$2.0 billion in 1982, mainly because iron ore fell 25.6% to \$446 million, asbestos fell 22.6% to \$325 million, and copper declined 11.1% to \$177 million. Gold was the only bright spot in the Quebec mineral industry,