

Employment in mining and mineral manufacturing totalled an estimated 379,000 in 1986, or 3.3% of total employment in Canada.

Another area of cost-cutting for the mining industry included capital and repair expenditures which totalled an estimated \$3.4 billion in 1986, down from \$3.7 billion in 1985. The estimate of \$3.4 billion was revised upward from an earlier estimate of spending-intentions total of \$3.2 billion.

The availability of flow-through share financing was of considerable aid to the mining industry in 1986. Since its inception in 1983, the flow-through share program raised almost \$750 million. The total amount raised in the first 11 months of 1986 was \$346 million and is estimated to be \$550 million for the year. Almost 85% of that total was attributable to the search for gold across all areas of Canada. In Ontario, claims staked in the first six months of the year totalled 35,938, three times higher than the same period of 1985 and rivalling the record year of 1983 when 70,314 claims were recorded.

10.1.2 Export sales

Despite the sluggish worldwide demand for minerals in 1986, Canadian exports of crude and fabricated minerals, based on an estimate of nine months' data, totalled \$16.2 billion, up from \$15.5 billion in 1985. Crude minerals showed a slight decrease from a total of \$5.2 billion in 1985 to \$5.0 billion in 1986 but refined metals and fabricated mineral products increased from \$10.4 billion to \$11.2 billion. Of the total of all mineral exports, \$10.6 billion or 65.4% was destined for the US, compared with \$9.6 billion or 61.9% in 1985; \$2.9 billion to the EEC, compared with \$3.1 billion in 1985; and \$1.1 billion to Japan, the same as in 1985. Mineral exports represented 13.5% of total Canadian merchandise exports in 1986, up from 12.9% in 1985. Imports of crude and fabricated minerals, in 1986, totalled \$8.3 billion. Net exports contributed almost \$8.0 billion to the balance of trade surplus of \$11.0 billion for 1986.

10.1.3 Leading minerals

The top 10 commodities in terms of total value of output in 1986 (1985 values appear in brackets) were: petroleum, \$8.1 billion (\$15.6 billion); natural gas, \$6.7 billion (\$7.3 billion); natural gas byproducts, \$2.0 billion (\$2.8 billion); gold, \$1.7 billion (\$1.2 billion); coal, \$1.7 billion (\$1.8 billion); copper, \$1.6 billion (\$1.5 billion); zinc, \$1.3 billion (\$1.3 billion); iron ore, \$1.3 billion (\$1.5 billion); nickel, \$1.1 billion (\$1.2 billion); and uranium, \$0.9 billion (\$1.0 billion).

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. 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 value of output of crude oil declined to \$8.1 billion in 1986 compared with \$15.6 billion the previous year. This decline was attributable to the drop in world oil prices. The price of crude oil fell from approximately \$33 per barrel on January 1, 1986 to \$14.60 by mid-year. The average price for the year was \$15, compared with \$27 in 1985. The volume and value of natural gas and coal declined in 1986.

In terms of value of output in the non-fuel mineral industry, gold rose to number one in 1986. Volume of production reached 105 tonnes in 1986, compared with 88 tonnes in 1985, and value of output climbed by almost \$500 million to \$1.7 billion as the Hemlo area came into full production. The price increased sharply in September 1986, reaching its highest level in three years and averaged US\$366.66 for the year compared with US\$317.27 in 1985.

Price made platinum a star performer among metals in 1986 rising from US\$350 in January to US\$600 in September. Some 80% of total world non-Communist production originates in South Africa. The possible disruption of supply from South Africa, the increasing demand for platinum as an industrial metal as well as its increasing popularity as an investment were other reasons for its success among precious metals. Platinum in Canada is produced as a byproduct in relatively small amounts, mainly in Ontario.

Canada rated fourth in world production of copper and both volume and value of output increased in 1986 compared with the previous year. The price of copper averaged 66.59 US cents per pound, a slight improvement from the average of 65.98 cents in 1985 but far short of the 101.42 average in 1981.

The price of lead also showed improvement in 1986, averaging 30.55 Cdn. cents per pound, up from 26.18 cents the previous year. Volume of output rose 13% and value 32% in 1986.