

internal to the country (e.g., labour, capital, energy, taxes); and those that are largely international in scope (e.g., exchange rates, tariffs). Canadian metal producers have some advantages in both the first two categories but none in the third, except perhaps for the Canada-U.S. dollar exchange rate.

Take copper, for example, despite wide variations from one mine to another, Canada had traditionally ranked amongst the world's lower cost producers. However, Canadian copper producers' competitiveness slipped sharply by 1982 largely due to currency realignments, but through productivity improvements has subsequently regained a position commensurate with the average cost of non-socialist world producers. Canadian copper remains more cost competitive than that produced in the U.S.A.

For other metals both worldwide and with the U.S.A., Canada is very cost competitive for aluminum, nickel and uranium, and generally cost competitive for lead, zinc, molybdenum, cobalt, magnesium, tungsten, gold, silver, platinum and a variety of minor metals. For iron ore where transportation costs are critical in international trade, Canada is generally competitive with U.S. producers but marginally competitive with the world's largest exporters, Australia and Brazil.

Industrial Minerals: Most minerals in this group fall into two categories, agro-chemicals commodities and construction materials. They tend to be large volume, low-unit value minerals although prices can reach \$3000 a tonne for some asbestos fibres and much higher for industrial diamonds. Transportation costs have a strong bearing on markets, particularly for the construction materials. Most processing (generally grinding, milling, refining, or shaping) takes place at the mine or quarry site. Although some 3,000 firms scattered across Canada are in the industrial minerals business, industry concentration is high in a few commodities (e.g., asbestos, talc, cement, calcite, gypsum, potash, salt, silica and sulphur) and in others there is only one or two producers (e.g., magnesite and nepheline syenite). For asbestos, the Quebec government-owned Société Nationale de l'Asbeste is one of the dominant firms and in potash, the provincially-owned Potash Corporation of Saskatchewan is the dominant firm.

Canada's strengths lie in the variety, quality and abundance of reserves in readily accessible areas generally close to water, rail and electrical energy. As a group, industrial minerals have demonstrated relative stability and a constantly growing sector of the Canadian mineral industry.

Canada is a recognized leader and internationally competitive in several industrial minerals such as asbestos, potash, sulphur, and nepheline syenite, for which most of our output is exported. We also export gypsum, lime and cement, salt, sodium sulphate, talc and pyrophyllite. Canada depends entirely on imports, largely from the U.S.A., for phosphate rock, kaolin, industrial diamonds, perlite, vermiculite and zeolites.