

OAE
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DEPARTMENT OF EXTERNAL AFFAIRS
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OTTAWA, ONT.

Michipicoten area of Ontario during the first quarter of this century, courageously commenced the development of a beneficiating-grade siderite orebody adjacent to the Old Helen mine- the first operation of its kind on the North American continent. Algoma has developed this operation into a large and profitable one and is, at this very moment, in the process of expanding mine and plant capacity to 2 million long tons of Algoma sinter per year.

In 1956, seven companies contributed to Canada's shipments of iron ore from properties operated solely for the production of iron ore. Of these, two produced direct-shipping iron ore, two, magnetite concentrates; one, sinter; one, pelletized magnetite concentrates; and one, heavy-media concentrates. In addition, one company produced iron oxide sinter from pyrite concentrates as a co-product of sulphur and sulphur dioxide; one produced iron oxide pellets as a co-product of nickel from nickeliferous pyrrhotite; one produced desulphurized iron as a co-product of titanium dioxide slag from ilmenite; and one produced small quantities of finely-ground magnetite concentrate for use in heavy media separation plants. In addition to these producing companies, seven companies are in various stages of developing their properties for early production.

By reason of geography, company affiliations, and to a certain extent metallurgy, by far the major part (about 68%) of all iron ore produced in Canada is exported to the United States. The remainder is exported to the United Kingdom, Western Europe and Japan or is consumed domestically. In turn, about $\frac{3}{4}$ of the Canadian consumption of about $5\frac{1}{2}$ million long tons of iron ore is imported, principally from the United States. This situation practically duplicates that which exists in relation to coking coal - Canada relies on the United States for about $\frac{3}{4}$ of the coking coal required for the production of primary iron and steel.

The continued growth of the Canadian iron ore industry is dependent entirely on the export market and this, in turn, is dependent principally upon the continued growth of the United States iron and steel industry. In competition with Canadian ores there are not only American domestically-produced ores but also Venezuelan ores, Brazilian ores to a certain extent, and Peruvian, Chilean and Liberian ores, to a lesser extent. As the Canadian industry sees it, there is no shortage of iron ore raw-materials in the world as a whole, although regional shortages do exist.