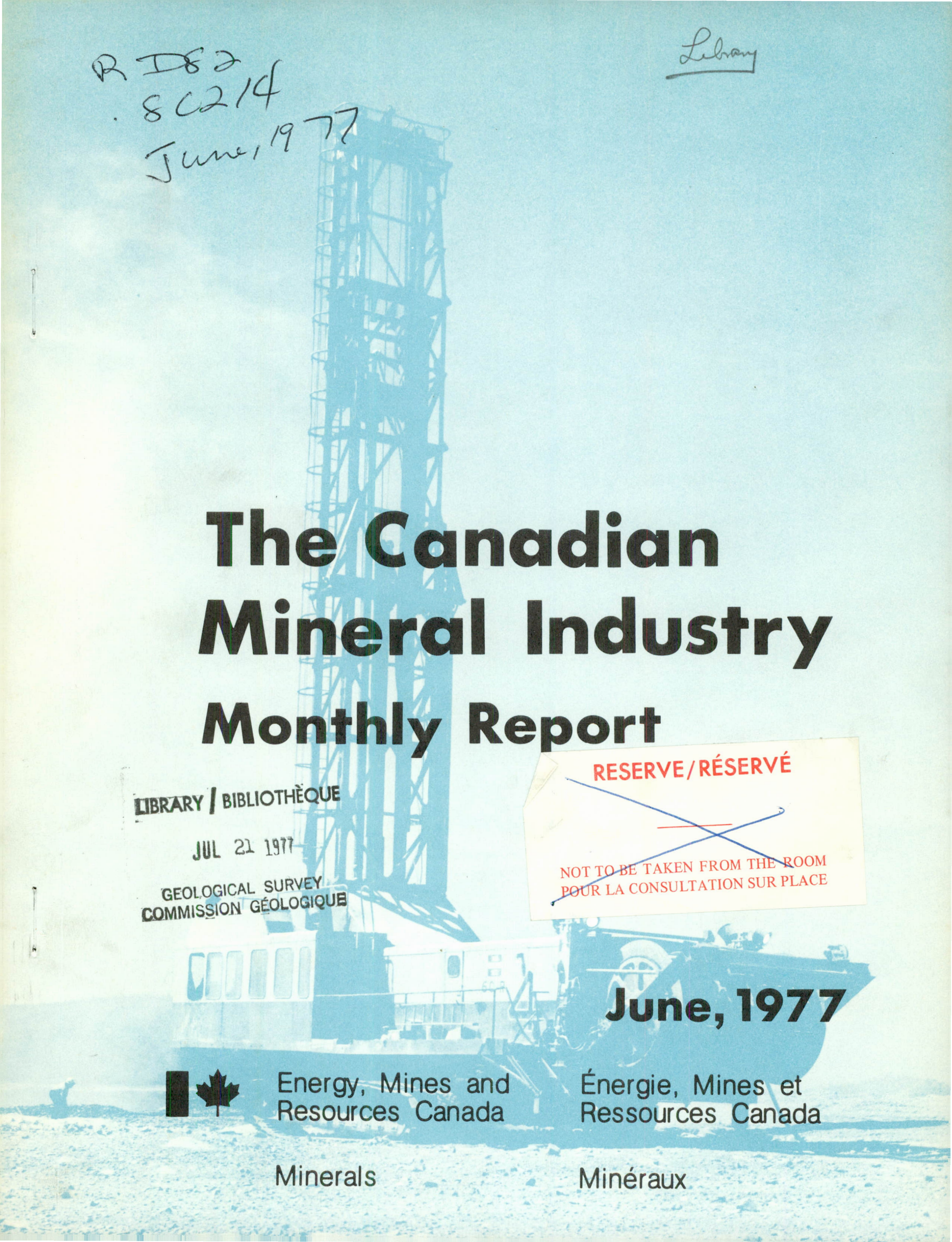

The Canadian Mineral Industry

Monthly Report

June, 1977

Energy, Mines and Resources Canada

Énergie, Mines et Ressources Canada

Minerals

Minéraux

PREFACE

This report is prepared in the Mineral Development Sector of the Department of Energy, Mines and Resources. It is prepared from the best information available to us from many sources, but it is only intended to be a general review of the more important current developments in the Canadian mineral industry and of developments elsewhere that affect, or may affect, the Canadian industry. It should not be considered an authority for exact quotation or an expression of official Government of Canada views.

Ce rapport a été rédigé par le Secteur de l'Exploitation Minérale du Ministère de l'Energie, des Mines et des Ressources. Bien que nous ayons eu recours à de nombreuses sources pour vous fournir les meilleurs renseignements possibles, cet exposé n'a pour objet que de passer en revue les développements actuels les plus importants de l'industrie minière canadienne, de même que les progrès accomplis ailleurs qui peuvent intéresser l'industrie canadienne. On ne doit pas considérer cet exposé comme une source de renseignements précis ou comme l'expression des vues du Gouvernement canadien.

Mineral Development Sector
Department of Energy, Mines and Resources
580 Booth Street
Ottawa, Canada K1A 0E4

Secteur de l'Exploitation Minérale
Ministère de l'Energie, des Mines et des Ressources
580, rue Booth
Ottawa, Canada K1A 0E4

CONTENTS

THE CANADIAN MINERAL INDUSTRY FOR JUNE

The following constitutes a brief summary of the Canadian mineral industry based upon information that became available in June.

SUMMARY

1. Canada's unadjusted index of Real Domestic Product was 126.3 in April 1977, an increase of 3.7 per cent from March 1977.

2. The April index of Mines, Quarries and Oil Wells was 114.2 a decrease of 2.1 per cent from the previous month.

3. Alumax Inc. plans to construct an aluminum smelter in South Carolina.

4. As a result of disagreements over questions of control, financing, and timing, United States Steel Corporation is pulling out of the giant Carajas iron ore mining project.

5. The spot sterling price for lead on the London Metal Exchange performed erratically during the month.

6. Mercury prices continued to decline in June.

7. The Silver Institute held its annual meeting on June 24.

8. Sydney Steel Corporation of Nova Scotia plans to spend $12-$14 million to take advantage of opportunities in the slab business over the next two years.

9. Poor metal markets have prompted the two major primary zinc metal producers in Canada to cutback production.

10. Fiberglas Canada Limited is to build a new plant in Toronto to manufacture insulation material.

11. The Newfoundland Government is preparing to counter any possible move by Aluminum Company of Canada, Limited to close its fluorspar mine on the province's south coast.

12. The chemical processing plant and ore concentrator mill owned by Kaiser Celestite Mining Limited in Nova Scotia was auctioned.

13. British Columbia unveiled its coal policy in June.

14. The National Energy Board has issued its third comprehensive report on Canadian oil supply and requirements.

15. On June 14, the Honourable Alastair Gillespie made a statement relating to the uranium marketing arrangement of 1972-1975.

ECONOMIC TRENDS

Table 1 shows Canada's unadjusted indexes of Real Domestic Product in terms of 1971=100. The overall RDP index in April was 126.3, an increase of 3.7 per cent from March 1977.

The April RDP index for mines, quarries and oil wells was 114.2, down 2.1 per cent from 116.7 in March. The metal mines index increased by 2.1 per cent over the month, due in part to an increase of 6.7 per cent for iron mines. Metal mines other than placer and gold quartz mines and iron mines registered a small increase of 0.6 per cent in product. A decrease of 8.3 per cent and 2.1 per cent was recorded for mineral fuels and nonmetal mines.

The April index for primary metal industries was 4.7 per cent below that of March. An increase of 11.4 per cent was recorded for nonmetallic mineral products industries.

Table 2 compares volume of production in major Canadian minerals. Output fell substantially in April compared with March for copper (28.3 per cent), uranium (38.2 per cent), silver (19.7 per cent) and coal (17.8 per cent). Notable increases in production were recorded for iron ore (172.3 per cent), lead (36.2 per cent), zinc (30.3 per cent), gypsum (59.3 per cent) and cement (24.5 per cent).

Table 3 compares Canada's consumption of selected metals for 1974 and 1975. Except for tellurium, the consumption of all metals decreased in 1975 relative to 1974 as a result of the decline in Canadian economic activity.

TABLE 1

Canada, Indexes of Real Domestic Product, by Industries Unadjusted (1971=100)

Industry or Industry Group	1976 Mar	1976 Apr	1976 Average 1st 4 Months	1977 Mar	1977 Apr	1977 Average 1st 4 Months	Percentage Changes: Mar 1977 / Mar 1976	Apr 1977 / Apr 1976	Apr 1977 / Mar 1977	1st 4 Months 1977 / 1976
Real Domestic Product	118.1	124.2	117.8	121.8	126.3	121.7	3.1	1.7	3.7	3.3
Primary Industries										
Agriculture	29.2	152.1	65.6	23.3	127.9	56.1	-20.2	-15.9	448.9	-14.6
Forestry	112.5	96.9	91.6	134.3	95.6	111.8	19.4	-1.3	-28.8	22.0
Fishing and Trapping	56.9	49.9	48.5	51.4	53.3	44.7	-9.7	6.8	3.7	-7.9
Mines, Quarries and Oil Wells	108.2	107.9	108.1	116.7	114.2	115.8	7.9	5.8	-2.1	7.1
Metal Mines	103.1	107.9	104.6	115.2	117.6	115.6	11.7	9.0	2.1	10.5
Placer and Gold Quartz Mines	75.4	72.7	75.1	74.7	77.7	78.8	-0.9	6.9	4.0	4.9
Iron Mines	109.7	135.1	116.3	131.5	140.3	126.7	19.9	3.8	6.7	9.0
Other Metal Mines	102.8	102.8	103.2	113.2	113.9	114.7	10.1	10.8	0.6	11.1
Mineral Fuels	113.6	107.4	112.7	120.3	110.3	117.4	5.9	2.7	-8.3	4.2
Coal Mines	243.3	216.3	222.0	230.1	212.3	224.5	-5.4	-1.8	-7.7	1.1
Crude Petroleum and Natural Gas	103.0	98.5	103.8	111.3	101.9	108.6	8.1	3.5	-8.4	4.7
Nonmetal Mines	120.0	112.5	115.4	128.4	125.7	129.6	7.0	11.7	-2.1	12.3
Asbestos Mines	100.7	100.8	94.5	108.8	99.1	105.2	8.0	-1.7	-8.9	11.4
Secondary Industries										
Manufacturing	120.1	122.0	117.5	122.2	124.1	120.3	1.7	1.7	1.6	2.4
Nondurable Manufacturing	116.8	118.2	113.3	118.6	122.1	117.4	1.5	3.3	3.0	3.6
Petroleum and Coal Products Industries	123.2	114.6	123.4	133.6	125.0	133.2	8.4	9.1	-6.4	8.0
Durable Manufacturing	123.4	125.8	121.6	125.9	126.0	123.1	2.0	0.2	0.1	1.2
Primary Metal Industries	112.0	113.0	109.7	117.9	112.4	112.3	5.3	-0.5	-4.7	2.3
Iron and Steel Mills	118.6	118.0	114.8	127.1	120.5	119.6	7.2	2.1	-5.2	4.1
Steel Pipe and Tube Mills	138.3	132.6	134.5	139.6	113.2	128.0	0.9	-14.6	-18.9	-4.8
Iron Foundries	115.7	123.4	113.7	100.8	105.2	108.1	-12.9	-14.7	4.4	-4.9
Smelting and Refining	98.4	101.9	98.4	108.4	103.2	102.0	10.2	1.3	-4.8	3.7
Nonmetallic Mineral Products Industries	101.5	116.0	102.1	103.1	114.9	100.5	1.6	-0.9	11.4	-1.5
Cement Manufacturers	83.8	106.6	81.9	83.3	103.7	77.3	-0.6	-2.7	24.5	-5.6
Ready-mix Concrete Manufacturers	72.8	112.3	76.9	72.7	111.1	74.6	-0.1	-1.1	52.8	-3.0
Construction Industry	99.4	106.1	100.4	94.7	101.3	97.7	-4.7	-4.5	7.0	-2.7
Transportation, Storage, Communication	124.7	129.3	124.1	132.5	134.0	130.5	6.3	3.6	1.1	5.2
Electric Power, Gas and Water Utilities	148.0	134.4	149.1	160.5	142.4	162.5	8.4	6.0	-11.3	9.0
Trade	123.8	134.6	120.0	124.8	134.1	122.6	0.8	-0.4	7.5	2.2
Finance, Insurance, Real Estate	126.3	126.1	125.6	132.5	132.2	132.2	4.9	4.8	-0.2	5.3
Community, Business and Personal Service	124.3	123.8	123.0	129.8	129.3	128.3	4.4	4.4	-0.4	4.3
Public Administration and Defence	119.4	119.9	118.9	123.6	121.9	122.5	3.5	1.7	-1.4	3.0

TABLE 2

Canada, Production of Leading Minerals
('000 tonnes except where noted)

		1976			1977			Percentage Changes		
		March	April	Total 1st 4 months	March	April	Total 1st 4 months	April 77 / April 76	April 77 / March 77	1st 4 months 1977 / 1976
Metals										
Copper		59.6	57.4	235.7	70.1	50.3	258.1	-12.4	-28.3	+9.5
Gold	kg	4 459.4	4 278.3	17 521.7	4 699.8	4 219.5	17 452.1	-1.4	-10.2	-0.4
Iron ore		1 601.1	4 767.0	9 333.5	1 339.8	3 648.4	8 515.5	-23.5	+172.3	-8.8
Lead		20.2	22.5	86.1	22.9	31.2	93.1	+38.7	+36.2	+8.1
Molybdenum	t	1 615.1	1 086.3	4 948.7	1 372.9	1 403.6	5 153.4	+29.2	+2.2	+4.1
Nickel		20.8	21.3	84.0	20.8	20.8	85.8	-2.3	0.0	+2.1
Silver	t	120.3	115.8	439.9	148.8	119.5	472.8	+3.2	-19.7	+7.5
Uranium (1)	t	315.8	211.1	1 150.6	518.2	320.2	1 410.4	+51.7	-38.2	+22.6
Zinc		70.2	82.7	330.0	83.2	108.4	341.7	+31.1	+30.3	+3.6
Nonmetals										
Asbestos		147.3	122.1	495.6	141.4	122.6	483.7	+0.4	-13.3	-2.4
Gypsum		345.3	409.7	1 353.4	357.6	569.7	1 629.6	+39.1	+59.3	+20.4
Potash K_2O		548.1	580.4	1 906.3	578.4	606.7	2 009.3	+4.5	+4.9	+5.4
Salt		482.6	422.2	3 376.6	466.1	394.0	2 158.2	-15.5	-6.7	-36.1
Cement		557.5	732.8	2 119.6	581.4	724.1	2 068.3	-1.2	+24.5	-2.4
Clay products	$000	4 457.7	7 696.1	19 819.2	6 630.1	..	..	..	..	..
Lime		159.4	154.8	548.2	154.9	146.8	577.3	-5.2	-5.2	+5.3
Fuels										
Coal		2 427.3	2 051.8 [r]	9 022.6 [r]	2 839.8	2 333.1	10 220.1	+13.7	-17.8	+13.3
Natural Gas	000 m^3	7 938 317.4	7 386 931.7 [r]	31 023 855.9 [r]	8 428 510.4	7 759 100.1	32 207 471.9	+5.4	-7.9	+3.8
Crude oil and equivalent	000 m^3	6 599.1	6 024.0 [r]	26 152.0 [r]	7 209.6 [r]	6 277.8	27 126.1	+4.2	-12.9	+3.7

(1) Tonnes uranium (1 tonne U = 1.299 9 short tons U_3O_8).

[r] Revised; .. Not available.

TABLE 3

Canadian Consumption of Selected Metals

	Unit	1974	1975	Percentage Change
Aluminum (primary)	tonnes	359 790	293 280	-18.49
Antimony	kilograms	2 180 590	1 177 319	-46.01
Bismuth	kilograms	29 278	29 267	- 0.04
Cadmium	kilograms	47 876	38 209	-20.19
Chrome ore	tonnes	60 471	36 790	-39.16
Cobalt	kilograms	185 442	123 002	-33.67
Lead (primary and secondary)	tonnes	99 734	89 192	-10.57
Magnesium	tonnes	6 217	5 089	-18.14
Manganese ore	tonnes	210 595	160 976	-23.56
Metallic mercury	kilograms	46 812	32 869	-29.79
Molybdenum	kilograms	1 673 146	1 436 883	-14.12
Nickel	tonnes	11 567	11 308	- 2.24
Selenium	kilograms	13 825	9 933	-28.15
Tellurium	kilograms	445	614	+37.98
Tin	tonnes	5 425	4 315	-20.46
Tungsten	kilograms	534 959	451 335	-15.63
Zinc (primary and secondary)	tonnes	117 619	98 280	-16.44

TAXATION AND LEGISLATION AFFECTING MINING AND ALLIED INDUSTRIES IN CANADA

Provincial

British Columbia

Bill 15, *the Copper Smelting and Refining Incentive Act,* has passed first reading. The bill provides that the minister may, with the approval of the Lieutenant-Governor in Council, enter into an agreement on behalf of the Crown for the payment of not more than 5 cents/kg. of blister or refined copper, or both, produced from ore or concentrates smelted or refined in the Province. The term of the agreement shall not exceed 10 years and may not be entered into more than once with respect to a particular smelter or refinery. No more than $\$\frac{1}{2}$ million shall be paid under an agreement in any one year, and no more than $5 million during the term of the agreement.

New Brunswick

Bill 75, an Act to amend the Mining Income Tax Act, is under debate in the Legislature. The Act, to be effective April 1, 1977, amends the definition of "depreciable assets" to specifically include smelting and refining equipment. "Eligible exploration expenditures" are defined so that they must qualify as "work" as defined in the Mining Act. "Eligible process research expenditures" must be approved before being undertaken. Some other concepts are replaced, and some definitions are clarified.

The former tax on net income of 8 per cent on all net income up to $750,000; 11 per cent on the next $2,250,000; and 12 per cent on all net income in excess of $3 million, is replaced by a tax of

(a) two per cent of net <u>revenue</u> for each year, commencing two years after the operator has notified the director in writing that the mine is in active operation;

(b) 16 per cent of net <u>profits</u> in excess of $100,000 less a tax credit equal to 25 per cent of eligible exploration expenditures and eligible process research expenditures.

If the tax credit exceeds the tax payable, the balance of the credit shall be carried forward to the succeeding years.

The deductions allowable for calculating net revenue and net profits are carefully specified.

Every person receiving royalties or rentals for ore extracted from lands within the Province is liable to a tax of 16 per cent on such payments, the tax to be deducted by the operator from such payments and remitted to the Minister as prescribed.

The rate of interest on late payments of tax is increased from six per cent per annum to one per cent per month.

Newfoundland

Bill 93, the *Mineral Holdings Impost Act,* is now before the Provincial General Assembly. The preamble to the bill states that heretofore large tracts of minerals were granted in fee simple or by agreements, concessions or other instruments, to encourage development of the resources; and that the amount of mineral exploration work presently being undertaken by the owners is less than that required in the public interest. Therefore, the present Bill is proposed as remedial action.

Any mineral interest held under the Mineral Act, 1976 or The Quarry Materials Act, 1976 is exempted from this Bill. The purpose of this Act is to encourage greater mineral exploration and production by the holders of mineral interests in large tracts of land by a tax arrangement that benefits mineral exploration and exempts production in those tracts.

The tax imposed is:

(a) 35 cents per hectare* in 1978
(b) 55 cents per hectare in 1979
(c) 115 cents per hectare in 1980
(d) 195 cents per hectare in 1981
(e) 300 cents per hectare each year thereafter.

* one hectare is equivalent to 2.471 acres. Hence, the above rates range from 14 cents to $1.21 per acre.

Every person, other than a third party as defined, who has any interest in a mineral holding, is liable for the above impost.

The above tax may be reduced by an amount equal to the aggregate of:

(a) the amount of any rentals paid to the province on that mineral holding;

(b) the amount of any approved expenditures for approved exploration work on the mineral holding; and

(c) the amount of any approved expenditures for approved preproduction development on the mineral holding.

Any excess of approved expenditures for approved exploration and development over the amount of the impost in a year, may be carried forward for the two years following that year, or until such excess has been exhausted, whichever first occurs.

The Bill provides for the appointment of an assessor and staff. The taxpayer is required to deliver a completed return within three months after the end of the calendar year, and to estimate and remit the tax with the return. Provision is made for interest and penalty on arrears. Overpayments are to be refunded to the taxpayer.

Where the tax remains unpaid on April 1st of the year following the year in which the tax became due and payable, the Minister may proceed as prescribed to effect forfeiture of the minerals holding to the Crown, without any compensation to the taxpayer.

The Lieutenant-Governor in Council is authorized to make such regulations as are necessary for the purposes of this Act.

This Act comes into force on a day to be proclaimed by the Lieutenant-Governor in Council.

METALLIC MINERALS AND PRODUCTS

Aluminum

On June 15, 1977, Kaiser Aluminum & Chemical Corporation announced that it was increasing its price for unalloyed primary aluminum ingot by two cents a pound to 53 cents a pound effective with shipments on or after July 1st. Prices for other ingot forms and fabricated products will be adjusted appropriately. Within a week, all North American producers announced a similar increase to be effective July 5, 1977.

The last increase in the North American price of aluminum ingot was 3 cents a pound and became effective April 1. Alcan Aluminum Limited then applied to the Anti-Inflation Board (AIB) for approval of a seven per cent price increase on ingots and fabricated products sold in Canada. This was rejected by the AIB. Alcan reapplied and the increase was approved by the AIB on June 27. This new increase in the price of aluminum will pose a problem for Alcan in Canada since the company must again have the approval of the AIB before this latest price increase can be effective in Canada.

AMAX Inc. announced that its 50 per cent owned Alumax Inc. plans to build a 187 000 tonne aluminum smelter in South Carolina. Construction of the $400 million facility is scheduled to start in 1978 and is expected to take three years to complete.

Copper

During the weekend of July 2-3, the Conference of Unions in the U.S. copper industry approved a new labour agreement reached by negotiating teams at Kennecott Copper Corporation and Newmont Mining Corporation. It appears likely that other companies will also reach agreement without a major strike.

The anticipation of a peaceful contract settlement in the U.S. copper industry continued to depress prices throughout June. One U.S. producer cut prices by a further 3 cents a pound during June to 68 cents for cathode and 68.625 for wirebar. Other producers did not follow suit and a split-price persisted for the entire month. London Metal Exchange (LME) prices continued to be depressed during June, ending the month at 58.4 (U.S.) cents a pound for copper wirebar, cash, compared with 59.0 (U.S.) cents a pound one month earlier. Canadian producer prices for copper wirebars and cathode remained unchanged at 75.125 and 74.5 cents a pound respectively.

In the first 4 months of 1977 production of primary copper in Canada was 258 095 tonnes, an increase of 9.5 per cent when compared with the same period of 1976. Domestic shipments of refined copper in the period were reported to be 76 627 tonnes compared with 76 998 tonnes in the first four months of 1976.

Cominco Ltd. made an offer during June for the outstanding shares of Bethlehem Copper Corporation. Bethlehem and Cominco own parts of the Valley Copper Mines Limited orebody in the Highland Valley of British Columbia. Cominco had purchased a substantial number of shares of Bethlehem earlier in the year.

A spokesman for the Japanese Ministry of Trade and Industry (MITI) announced during June that Japan will continue its present partial ban on exports of copper for a further year. The Japanese smelters are pressing MITI for an easing of the controls to allow them to reduce mounting stocks of refined copper in producers' hands in Japan.

A Ministerial meeting of CIPEC was held in Paris during June. The meeting failed to reach agreement on proposals for a pricing formula for copper, but agreed to accept Yugoslavia as a new Associate Member. Other countries mentioned as potential new members are Iran, Philippines, Malaysia and Poland.

Gold

The International Monetary Fund (IMF) held its tenth gold auction on June 1, 1977 under the common price method and awarded 524,800 ounces of gold to the successful bidders at a price of $143.32 (U.S.). The prices at which bids were submitted by successful bidders ranged from the common price of $143.32 (U.S.) an ounce to $150.00 (U.S.) an ounce and averaged $144.19 (U.S.) an ounce. This compares with awards made at the ninth auction to successful bidders at prices ranging from $147.33 (U.S.) an ounce of gold to $150.26 (U.S.) and averaging $148.55 (U.S.) an ounce. The afternoon fixing price on the London Gold Market on May 31 was $142.95 (U.S.) an ounce and following the auction, the gold price started a decline pattern. In all, 72 final bids were received for a total of 1,014,000 ounces of gold compared with 107 final bids for a total of 1,316,400 ounces at the ninth auction. The largest percentage of bids submitted was in the price range of $142.00 (U.S.) to $145.99 (U.S.) for an ounce of gold. A total of 35 bids submitted by 13 bidders, mainly international bullion dealers and European banks, were accepted. Only 14 bidders submitted final bids. The eleventh gold auction will be held on July 6 under the common price method. The gold will be delivered in Paris.

The decline in the gold price which began in the latter part of May continued in June. The low gold price for 1977 of $137.10 (U.S.) an ounce on the London Gold Market was recorded on June 14. Prices recovered steadily from this low and reached a level of $143.00 (U.S.) an ounce at the end of the month, near the high for the month of $143.85 (U.S.) on June 1. The monthly average of the afternoon fixing gold price on the London Gold Market for June 1977 was $140.78 (U.S.) ($148.84 Cdn.) an ounce compared with $146.60 (U.S.) ($153.71 Cdn.) an ounce in May.

Iron Ore

According to Fernando Roquette Reis, President of Brazil's state-owned Companhia Vale Do Rio Doce (CVRD), United States Steel Corporation are on their way out of the giant Carajas mining project, which was to provide some 50 million tonnes a year of high grade iron ore for export markets by the mid-1980's. The Carajas deposit has reserves estimated at 18 billion tonnes of high-grade iron ore.

The move by U.S. Steel results from disagreements on questions of control, financing and timing of the project. U.S. Steel wants to take over control of project engineering. Overall project costs originally estimated at $1.1 billion have escalated to more than $3.5 billion and U.S. Steel does not want to go ahead with such an expensive venture without much more financial help from the Brazilian Government.

CVRD owns 51 per cent and U.S. Steel owns 49 per cent of the Carajas deposit. The latter wishes to bring in new partners and control their shares through a holding company which CVRD opposes. Also, because of lower than expected markets for iron ore in the mid 1980's, U.S. Steel wants to develop the deposit at a much slower rate while CVRD wants to stick to its time table. CVRD is now reportedly seeking new investors in Europe and Japan to replace U.S. Steel.

U.S. Steel claims it has spent $41 million in prospecting, engineering studies and infrastructure work on the Carajas project (allowing a 49 per cent share). Under the remittance law in Brazil, U.S. Steel will only take out of the country what it brought into the project, i.e. $41 million.

Lead

ASARCO Incorporated delayed the start-up of its Glover, Missouri (not Montana as reported in the May issue) lead refinery until the first week of July. Although the strike at the plant was settled on May 30, the need to undertake repairs in the sinter plant has resulted in the production delay. The capacity of the plant is 85 000 tonnes a year of refined metal.

The Kellogg, Idaho lead-zinc plant of the Bunker Hill Company remains in partial production as negotiations between striking workers and management drag on. The two parties are continuing their weekly meetings but little progress in settling the strike has been reported. The strike began on May 6, however, in the interim, supervisory personnel have been operating the lead refinery at somewhere between 25 and 50 per cent of capacity. The company continues to ship zinc from inventory but found it necessary to impose a *force majeure* on lead shipments effective May 6. The plant has a capacity of 120 000 tonnes of lead and 92 500 tonnes of zinc a year.

The Roennskaer copper and lead plant owned by Boliden A.B. of Sweden came back into production in mid-June after being shut down on May 21 when cracks were discovered in the masonry enclosing the electric furnace. The company does not expect to have to declare a *force majeure* on lead shipments. The plant has a capacity of 60 000 tonnes a year of copper and 50 000 tonnes a year of lead.

The Metal Marketing Corporation of Zambia Ltd. (Memaco) announced a *force majeure* on all lead shipments as of July 1. Shipments to customers will be cut-back 40 per cent. Memaco is the marketing agency for the Broken Hill Division of Nchanga Consolidated Copper Mines Ltd. (NCCM), the only lead producer in Zambia. NCCM has experienced production difficulties since February when the cooling tower on one of its Waelz Kilns collapsed at its Imperial Smelting Process plant. Not enough oxide fume is being produced to ensure normal lead production. The plant produces about 30 000 tonnes of refined lead a year.

Cominco Ltd. announced that the Trail, British Columbia lead plant would be shut down during the month of August for maintenance and vacations.

In other developments, Cominco's Danish subsidiary, Greenex A/S, announced the temporary closure of its Marmorilik, Greenland lead-zinc mine and declared a *force majeure* on concentrate shipments. The mine was closed in mid-June after a one-week strike by Danish mine-workers. According to press reports, local Greenland workers did not go on strike, but were unable to continue working when the Danes went out.

The spot sterling price for lead on the London Metal Exchange (LME) performed erratically during the month. The quote dropped from £350 a tonne (28.7 cents a pound Cdn.) on June 1 to £323 a tonne (26.8 cents a pound Cdn.) on June 30. The producer price in Canada and the United States remained unchanged at 31 cents a pound in their respective currencies. The North American price does not appear to be under much pressure from the lower metal prices on the LME even though the spread was as much as 7.5 cents a pound during the month. Strikes in the United States continue to keep metal supplies tight and U.S. producers have consigned all their metal to customers for this year with most producers no longer able to accept spot orders. Producer stocks in the United States at the end of May were about 16 000 tonnes, approximately one-quarter of normal levels. Stocks on the LME declined from 67 925 tonnes at the beginning of June to 65 775 tonnes on the last Friday of the month.

The Monthly Report in 1977 has carried a series of items more aptly labelled "news of fresh disasters" on the lead supply front. As fast as one producer gets back into production, another is shut down - by strike or by technical problems. All this is pointing to the fact that July is shaping up as the critical period for the lead industry in 1977. If developments in July are of a similar nature and if the inventory levels of producers stay depressed, they may not be able to meet the normal up-surge in demand expected in August. By mid-August, the battery industry should be back in full swing in preparation for the new automobile year. July usually marks the end of the period of slack demand and of inventory rebuilding by producers but few have been able to rebuild stocks this year because of operating disruptions. The second half of the year could see further price advances. The major mitigating factor against such an "unfolding of the universe" is that the battery sector may not experience a duplication of the strong demand experienced during the winter of 1976/77.

Mercury

After opening the year at prices of $132 to $135 (U.S.) a flask (76 pounds net), the New York mercury prices climbed sharply to highs of $170 to $180 about mid-March. Thereafter, the New York prices have displayed a steadily declining trend and by late June were in the range of $112 to $119 a flask, with no sign of the downward trend being reversed. The excessive world stocks and the threat of a substantial quantity of Turkish mercury being forced onto the market have been the bearish factors controlling the market. In 1976, the New York mercury prices ranged between a high of $136 in April and a low of $106 a flask in May.

Nickel

Confusion continues to reign in the world's nickel market and price schedules for nickel products are changed regularly. The list price for electrolytic nickel and briquettes is $2.41 a pound. Inco Limited's oxide sinter is listed at $2.27 a pound and Falconbridge Nickel Mines Limited's ferronickel at $2.36 a pound. It should be recalled, that AMAX Inc. last September offered its briquettes at 15 cents a pound below the list price of $2.41 a pound for the first half of 1977 and 10 cents a pound below the producer cathode price for the second half of the year. Other producers reduced their prices to remain competitive with AMAX during the first quarter of the year. In April, Inco reduced its price of electrolytic nickel to $2.35 a pound and its oxide sinter to $2.07 and similar price reductions were made by other producers. In early June, Inco announced that it would raise the price of its Class I and Class II products by 6 and 7 cents a pound respectively effective with shipments on July 1. Société Métallurgique Le Nickel followed this by announcing a six cent a pound increase in the selling price of its ferronickel products. However on June 25, Falconbridge announced a further discount on its ferronickel, reducing the price from $2.28 to $2.20 a pound.

This move indicates that nickel producers are still facing onerous marketing difficulties in view of the hefty oversupply of nickel in world markets and the continuing high levels of producer inventories. Industry sources indicate that buyers are obtaining substantial discounts from the lowered prices mentioned above.

Platinum Group Metals

The market for platinum was unstable during the month of June, 1977 and the New York dealer price declined from $155 (U.S.) an ounce at the beginning of June to $146.50 (U.S.) an ounce by June 16 but recovered to a price of about $150 (U.S.) at the end of the month. The producer price remained unchanged at $162-$172 (U.S.) an ounce.

The palladium market showed the same weakness as platinum. The New York dealer price declined from $49.50 (U.S.) an ounce at the beginning of June 1977 to $41.00 (U.S.) an ounce on June 9 and recovered to $44.50 (U.S.) an ounce at the end of the month. The producer price remained unchanged at $60-$65 (U.S.) an ounce.

The New York dealer price for rhodium declined from $428 (U.S.) - $431 (U.S.) an ounce at the beginning of June 1977 to $415 (U.S.) - $420 (U.S.) an ounce at the end of the month. The producer price was $450 (U.S.) - $460 (U.S.) an ounce.

The New York dealer price for iridium declined from $275 (U.S.) - $285 (U.S.) an ounce at the beginning of June 1977 to $255 (U.S,) - $265 (U.S.) an ounce at the end of the month. The producer price remained unchanged at $300 (U.S.) - $310 (U.S.) an ounce.

The prices for osmium and ruthenium were stable during the month of June. The New York dealer price and the producer price for an ounce of osmium in June 1977 were $130 (U.S.) - $135 (U.S.) and $200 (U.S.) - $225 (U.S.), respectively and for an ounce of ruthenium for the same period were $35 (U.S.) - $37 (U.S.) and $60 (U.S.) - $65 (U.S.), respectively.

Silver

The Silver Institute held its annual meeting on June 24, in New York City. One of the highlights of the meeting was the presentation of a report concerning current and future projections of world mine production of silver. The production estimates were based on mine production of silver in all of the 59 countries of the world which are known to be now producing silver from mines. Of these, 50 are designated as International Trade Countries since there is a continual movement of silver between them. The other nine are Eastern Bloc Countries which do not participate so much in the international movements of silver.

The Institute forecasts world mine production of silver in 1977 at 324.05 million troy ounces (10 078 metric tonnes), or about 8 per cent greater than the 298.93 million ounces (9 297 metric tonnes) produced in 1976. The next three years should also register gains, but of less magnitude - 5 per cent in 1978, 2 per cent in 1979, and 3 per cent in 1980. These figures include Free World and Eastern Bloc nations. World mine output of silver is estimated to be running at about 62 per cent of consumption, with the large deficit being met by demonitized coinage, secondary silver derived from discarded jewelry, silverware, films, etc., and liquidation of industrial and governmental stocks.

Listed below are actual mine production figures for the leading world producers of silver in 1976 and projected outputs through 1980:

	1976	1977	1978	1979	1980
	(millions of troy ounces)				
USSR	44.0	46.2	48.5	51.0	52.0
Mexico	42.6	48.2	53.5	55.4	58.7
Canada	40.9	41.7	41.9	42.7	45.9
Peru	39.1	40.6	41.7	41.8	41.9
US	34.0	43.0	48.1	48.9	49.9
Australia	22.2	23.3	23.3	23.9	23.2
Japan	9.3	9.0	8.9	8.9	8.9
Poland	8.0	11.0	12.0	12.0	12.0

Steel

Sydney Steel Corporation of Nova Scotia plans to spend $12 to $14 million over the next two years to take advantage of opportunities in the slab business, according to Tom Kent, president. The money will be spent to raise the hoods on two open hearth furnaces, to install a new stove in blast furnace number 3, to reactivate the continuous casting machines for slabs and blooms and to erect a 30 ton capacity crane on the dock site.

However, the new markets for slabs, in the order of 250 000 tonnes a year, have not yet been disclosed by the company's president.

Following the Royal Bank move to seize QSP Ltd.'s Questeel Division rolling mill in Longueuil in early June, Canadian National Bank seized the remaining assets (inventories, accounts receivable and four scrap steel subsidiaries).

QSP's problems began in 1971 when Sidbec-Dosco Limited, its major market for steel scrap, failed to renew its contract and entered the scrap market itself through a newly-created subsidiary Sidbec-Feruni Inc. The cancellation of the contract forced QSP to enter the steel manufacturing business in order not to let its scrap operations be idle.

QSP entered the steel market at a poor time, becoming a direct competitor to Sidbec and recorded losses of $6.0 million in 1976 and $3.8 million in 1975.

Zinc

The June 27, 1977 edition of the American Metal Market newspaper reported that confidential documents leaked from the Australian Trade Practices Commission confirm the existence of a zinc producer cartel outside the United States. One quotation from the article states, "the prime movers of the international producer club were RTZ and the Belgian smelters ... Virtually every European producer along with the Australians and some Canadian firms were party to the arrangement ...". The U.S. Department of Justice which has an antitrust investigation on foreign zinc producers in process has not as yet made any comment upon this latest information.

Poor metal markets have prompted the two major primary zinc metal producers in Canada to cutback production. Canadian Electrolytic Zinc Limited reduced zinc metal production from 85 per cent to 65 per cent from its 205 000 tonne a year capacity on June 1 and Cominco Ltd. cutback zinc metal production by 30 per cent from its 249 500 tonne a year capacity on June 27.

Imperial Oil Limited has not yet made a production decision for the Gays River Lead-zinc deposit in Nova Scotia; however, a dispute has arisen between Cuvier Mines Ltd., and Preussag Canada Limited because the latter company has refused to fund any further development after 1976. Preussag had prior agreed to fund Cuvier's 40 per cent share of the development cost for this deposit in return for equity and debentures in the project.

Tara Mines Ltd., in Ireland commenced tune-up operations at the beginning of June. At full capacity the mine will produce 210 000 tonnes of zinc and 47 000 tonnes of lead in concentrates, making it the largest zinc-lead mine in Europe and one of the largest in the world. Tara has spent $150 million to bring the mine to production.

Price levels in June remained unchanged from the reduced levels effected in May and stood at $700 (U.S.) a tonne overseas, $749.56 (U.S.) a tonne in the United States, and $782.63 (Cdn.) a tonne in Canada. The London Metal Exchange opened and closed the month of June at about $550 (U.S.) a tonne for cash quotations, and as such still remained at a substantial discount to producer quotations despite the price declines in May.

INDUSTRIAL MINERALS AND PRODUCTS

Asbestos

Negotiations are expected to proceed between United Asbestos Inc. and other companies interested in a joint venture agreement that will allow mining and milling to continue at United's Midlothian mine near Matachewan, Ontario. United was placed in default by the Mercantile Bank of Canada and Kanematsu-Gosho (Canada) Ltd., as reported in the March 1977 report. United previously estimated the total amount of the default at about $45.6 million with secured creditors owed $39.4 million ($30.3 million to Mercantile and $5.6 million to Kanematsu-Gosho). Bank Canadian National, the major unsecured creditor, is owed $3.2 million and preferred creditors, $404,000. Presently, a proposal has been agreed on whereby secured and unsecured creditors will receive funds made available through income received by United from its joint venture with Lake Asbestos of Quebec, Ltd. in Black Lake, Quebec. An amendment will provide for limited sums of money to be made available to United and these would permit the company to continue in operation. The validity of the collateral arranged through the present proposal has not been determined to date.

A preliminary report by the SNC Group Study concerning the asbestos industry, with special emphasis placed on the feasibility of more asbestos products manufacturing activity in Quebec is expected to be made public in July, 1977. The final compilation, referred to in the Monthly Report for April, 1977, is expected to be available in October of this year.

Construction Materials

As part of an expansion program which has included a new plant in Moncton, New Brunswick and expansion to existing facilities in Sarnia, Ontario; Montreal, Quebec; and Edmonton, Alberta; Fiberglas Canada Limited is to build a new $25-million plant in Toronto to manufacture insulation material. Production is scheduled for 1979.

Fluorspar

On Friday, June 24, 1977 the following news item appeared in the Toronto Globe and Mail: "The Newfoundland Government is preparing to counter any possible move by Aluminum Company of Canada, Limited to close its fluorspar mine in St. Lawrence, on the province's south coast. Mines Minister Brian Peckford said he hopes the province, the federal Government and the company can reassess the company's contention that Mexican fluorspar is cheaper and that St. Lawrence fluorspar, used in the production of aluminum, has a high silica content". The situation will be assessed by Federal and Provincial officials.

Strontium Products and Sodium Sulphate

The chemical processing plant and ore concentrator mill owned by Kaiser Celestite Mining Limited, Point Edward,Nova Scotia, was auctioned. Efforts to find a purchaser or a joint venture partner were unsuccessful. Closure of the mining and processing plant in 1976 (January 1977 monthly report) resulted from the slow growth in markets for strontium products and also from technical problems involving the chemical plant. Mining of celestite at Loch Lomand, Cape Breton Island, commenced in 1970 and the chemical plant began operating at Point Edward in 1971.

MINERAL FUELS AND PRODUCTS

Coal

British Columbia unveiled its coal policy in June. The importance of the coal industry is indicated by its potential to outrank the lumber industry as the major employer and tax generating industry for the province. The coal policy is embodied in eleven policy statements which are intended to clarify the basis upon which current and future development of the coal resources in British Columbia will be undertaken. Key points of the policy are:

(1) retention of the existing $1.50 per ton royalty,
(2) statement of the philosophy that the coal industry be taxed at a rate similar to that applied to other industries,
(3) commitment to the development of British Columbia's coal resources consistent with overall provincial energy, economic, environmental, regional development and social objectives,
(4) development of a new system of granting licences to incorporate competitive tendering, while not effecting existing or currently planned developments,
(5) statement of the right of the province to meet its coal needs first, followed by requirement of other Canadian provinces and finally world demand,
(6) commitment to the philosophy that coal sold outside British Columbia must be paid for at competitive world prices.

The remaining elements of the policy are related to other provincial objectives and priorities including encouraging business developments and expansion related to coal; establishment of multi-resource communities near coal developments and the role of the provincial government in coal related and manpower recruitment. It is intended that the policy should provide a basis for discussion with the coal industry and will permit the general public of British Columbia to become aware of the direction in which coal policy is being formulated.

In Alberta, agreement was reached between the Alberta Energy Company Ltd. and Luscar Ltd. to enter into a joint venture for production of Canadian thermal coal for Ontario Hydro. Under the agreement, the Alberta Energy Company will obtain a 25 per cent interest in the Luscar Sterco Ltd. Coal Valley mine, near Hinton, which is to begin production in 1978 and eventually reach an output level of 2.5 million tons. This is the first venture to develop under the requirement of Alberta's new coal policy.

The government of Nova Scotia announced a program that will encourage provincial production and consumption of coal. The main points of the program include: (1) conversion of two major power plants in Halifax from oil to coal by 1980, (2) development of a new open-pit coal mine in Pictou County and (3) an increased exploration program for new mine sites. The open pit mine will be Nova Scotia's first surface operation and is to be developed by George Wimpey Canada Limited. Money will be set aside during the first few years of production for reclamation. The province will also evaluate other prospects for open-pit mining in the Springhill region.

Petroleum and Natural Gas

The National Energy Board (NEB) has issued its third comprehensive report on Canadian Oil Supply and Requirements. The NEB report deals with the public hearing held in October 1976 and presents forecasts of oil supply and demand in relation to total energy requirements over a twenty-year period, from 1976 to 1995. The Board forecasts that a shortfall in supply of indigenous oil to meet demand in Canadian Markets (now supplied with that oil) will almost certainly occur between 1981 and 1983. Domestic oil supply is expected to fall short of requirements by about 450,000 barrels a day in 1985. The shortfall is shown to increase to about 600,000 barrels between 1990 and 1995. Imported crude will be required in the early 1980's in the area now served by indigenous crude. Initially, it is expected that additional imported crude will be taken into Montreal and later it seems likely that refineries west of the Ottawa Valley will need imported oil.

Heavy crude oil is treated separately from light-crude oil and equivalent hydrocarbons. The Board states in its Report that it decided to license exports of heavy crude oil separately from light crude oil (a procedure that has been followed since January of this year). In this regard, export levels for light and heavy crude oil will be determined separately by application of the formula the Board has used in the past to relate exports to Canadian crude oil supply and requirements. Starting July 1, the exportable surplus of light crude oil including condensate will be reduced to 137,000 barrels a day from the current level of 180,000 barrels a day. The corresponding level for light crudes in 1978 is projected by the formula to be 54,000 barrels a day. Actual export levels will however reflect seasonal variation in production and domestic requirements and the fact that some production can only reach export markets. For heavy crude oil, Board projections show that supply will exceed domestic requirements for some 15 years. So long as such a situation persists, application of the formula would permit exports of the total volume by which supply exceeds Canadian requirements. Available volumes of heavy crude oil for export are estimated as 123,000 and 110,000 barrels a day for the years 1977 and 1978. The Board now expects that the exports from the available surplus of crude oil and equivalent hydrocarbons will average about 280,000 b/d in 1977. As presently estimated, the total exportable surplus in 1978 will be 164,000 b/d.

Kitimat Pipe Line Ltd. on June 1, 1977 asked the NEB to withhold its application for construction and operation of oil transmission facilities between Kitimat, British Columbia and Edmonton, Alberta. The company filed its application for the right to build this half billion dollar oil line, major tankage and off-loading facilities back in December of 1976. In requesting that its application be withheld, Kitimat revealed that it will support the application of Trans Mountain Pipe Line Company Ltd. instead of pursuing its own proposal. The Kitimat Pipe Line plan called for the movement of Alaska and other offshore crude oil shipments to Edmonton and thence through existing oil transmission facilities to North American markets. The proposal was subject to strong opposition by environmental groups concerned with the potential dangers involved in movement of super tankers to the Port of Kitimat. It will be recalled that Trans Mountain filed its application with the National Energy Board very recently and now awaits a schedule of hearings before the Board.

Gulf Oil Canada Limited and its partner, Mobil Oil Canada, Ltd., who have found sufficient natural gas reserves in Mackenzie Delta to support a proposed gas processing plant, have decided they will do no further drilling in the Delta until the Federal Government approves a Mackenzie Valley pipeline, enacts acceptable frontier land regulations, and establishes conditions regarding land use permits. The two companies will complete two wells currently under way in the Delta, but have decided not to stockpile this summer at their northern supply base the equipment and supplies that would be required for drilling next winter. In making the announcement, Gulf stated however, that it would honor its commitments to participate in offshore drilling activities this summer in the Beaufort Sea with Dome Petroleum Limited.

Uranium

On June 14, the Honourable Alastair Gillespie made a statement relating to uranium marketing during the period 1972 to 1975 saying that a number of Canadian uranium producers acting with the approval and, in some cases, at the specific request of the Canadian government, participated with other non-United States producers in an informal uranium marketing arrangement, which specifically excluded the United States market. The decision to support such a marketing arrangement was based on the need to preserve the Canadian mining industry if it was to be in a position to meet a near-term resurgence of world demand for uranium.

The statment said that the depressed markets resulted in large measure from the policies of the United States Government which had closed the large U.S. market to foreign uranium. At the same time, U.S. corporations were competing aggressively for sales outside their protected domestic market and uranium from the U.S. government stockpile was also being moved into the international market by means of conditions imposed on foreign users of U.S. uranium enrichment facilities. In an effort to survive under these conditions, the Canadian government and the producing industry agreed to a series of minimum export prices and a means of sharing the available market.

The statement pointed out that during the term of the marketing arrangement, the price of uranium in the United States market was consistently in excess of the minimum export prices required by the Canadian government. Except for the first quarter of 1974, when the international price was approximately \$0.25 per lb U_3O_8 higher, and a short period of equality of price from August to November in 1973, the price prevailing in the United States market was higher than the international price by amounts ranging from approximately \$0.25 per lb U_3O_8 (August 1972 to August 1973) to about \$4.00 lb U_3O_8 (August 1974).

Madawaska Mines Limited signed a contract with Hydro-Quebec for some 100,000 lb U_3O_8 at a price of \$42.70 per lb U_3O_8 with escalation.

Belgium generated 21 per cent of its electricity with nuclear energy in 1976. It led all other countries in this respect and was followed by Sweden and Switzerland each of which received 18 per cent of their electricity from nuclear plants. They were followed by the United Kingdom with 13 per cent, Spain 10.6 per cent and the United States with 9.4 per cent.

The United States Energy Research and Development Administration (ERDA) issued its annual report on uranium industry exploration. In 1976, there was a total of 34.8 million feet of surface drilling in the United States, the largest reported. The previous peak was 29.9 million feet in 1969. Total exploration expenditures amounted to \$170.7 million in 1976. Planned exploration expenditures are given as \$236 million in 1977 and \$251 million in 1978. Expenditures by United States companies in foreign countries amounted to \$18.8 million in 1976 with expected expenditures of \$25.4 million in 1977 to \$29.1 million in 1978.

ERDA also carried out a survey on capital expenditures for uranium mining and milling facilities. For mines, $200.2 million was spent in 1976 with expected expenditures to be $387.6 million in 1977 and $270.1 million in 1978; for mills, $54.6 million in 1976, $147.6 million in 1977 and $118.9 million in 1978. Together these figures total more than $1 billion.

SPECIAL ITEM

ECOSOC - COMMITTEE ON NATURAL RESOURCES
5TH SESSION, GENEVA
MAY 9 - 19, 1977

The Committee on Natural Resources (CNR) was established by ECOSOC Resolution 1335 (XLIX) in July 1970. It consists of 54 members - i.e. nation states - that hold rotating, 4-year memberships. The Commitee meets every two years. The 5th Session was held in Geneva, May 9-19, 1977. The Canadian delegation was led by Mr. Jean-Paul Drolet of EMR, assisted by three advisors from EMR and Environment Canada.

The Committee advises the Economic and Social Council on energy, minerals and water resources; it also assists the Council in coordinating the activities of the UN system in the field of natural resources. Although the Committee is regarded as a policy-making organ, it can only make recommendations to the Council, which in turn becomes the decision-making organ for the Committee.

The operational and administrative work of the Committee is handled by the New York headquartered Centre for Natural Resources, Energy and Transport (CRNET), which is comprised of about 25 professionals who are part of the U.N. Secretariat. In addition to conducting the studies in the field of natural resources and providing information services, the centre provides advisory services to government officials in developing countries and makes policy suggestions for debate by the Committee. The Centre has also been quite active in promoting and helping organize seminars and symposia e.g. an inter-regional seminar on Economics of Mineral Engineering held in Turkey in 1976.

As a policy-making organ, the Committee has not been very successful in the field of energy.

Indeed, when one considers the importance of energy in world affairs, this item attracted little debate at the 5th Session because delegations were reluctant to prejudge the possible outcome of the Conference on International Economic Co-Operation (CIEC), which was scheduled to hold its final Ministerial meeting in Paris, May 31 - June 1. In spite of the fact that the Director of the Centre for Natural Resources, Energy and Transport had: (1) complained that the Committee had failed to act on energy matters at its 4th Session in 1975, (2) proposed the creation of an energy consultative group whose purpose would be to coordinate U.N. activities, and (3) asserted that CIEC discussions on energy had thus far failed; Committee members (including all three groups, WEO (West European and others), Socialists, and Group of 77) were not about to undertake further financial or institutional building. A Kenyan proposal calling for an International Conference on New and Renewable Sources of Energy to be held in 1981 was substantially softened in post-plenary discussion and resulted in a request for a feasibility report to be tabled at ECOSOC-64.

In the field of water, the Committee has been more successful, as a policy maker, the most visible manifestation of its work being the U.N. World Water Conference held in Argentina in March 1977. The Conference had initially been convened by the U.N. Secretariat, but the CNR eventually served as the Preparatory Committee. Discussion at the 5th Session focused on the need for a strengthening of regional activities in the field of water resources with regional meetings as a first step to be followed by a Special Session of the CNR, presumably some time in 1978, to serve as a follow-up to the Water Conference.

The Committee's activities in the field of mineral resources have met with mixed success. Some members have heralded the success in launching what is known as the United Nations Revolving Fund for Natural Resources Exploration while others, including Canada, have been critical of the likelihood of immediate commercial successes in exploration that will be needed to replenish the Fund and thereby maintain it as a 'revolving' fund. The Fund was officially launched in June 1975 and to date four exploration projects have been approved. As of December 31, 1976, voluntary contributions pledged to the Fund were $11,201,460 and there have been another $6.4 million in pledges for 1977. Japan has been by far the largest supporter with an initial contribution of $5 million followed by two subsequent pledges of $3.5 million each. Through CIDA, Canada has contributed $1.5 million.

Elsewhere in the field of minerals, much of the Committee's work has focused on co-ordination of programmes within the UN system and assessment of medium-to-long-term availability of and demand for minerals. The Committee has been responsible for the bringing together of a group of experts to work out a common set of definitions and terminology for quantifying resources, reserves, production and consumption for use in the UN system. Similar work is being done for energy resources.

Discussion on minerals at the 5th Session concluded that more attention should be given to recycling and substitution and that the CNRET study the economic, social and environmental aspects of mineral development. The Committee also expressed interest in receiving further analytical reports on minerals (similar to a copper study requested at CNR-IV) but not for those identified in the UNCTAD Integrated Programme for Commodities. Reports on chromium ores and nickel ore to be prepared by CNRET for the 6th Session.

The CNR has also been one of the UN forums for debating permanent sovereignty over natural resources. As initially conceived, debate on permanent sovereignty was intended to focus on technical, administrative, fiscal, legal and economic matters relating to ownership, control, exploitation and disposition of natural resources. Over the years, however, the developing countries have turned to the problems of the Middle East and South Africa and the vestiges of colonialism, so from a technical and economic viewpoint, these debates have become quite sterile.

At the 5th Session, debate on permanent sovereignty resulted in a resolution submitted by Pakistan (and other countries), containing the familiar language. Debate then became quite heated, and at the request of the USA, the Committee departed from tradition of adoption by consensus to a role call vote. The resolution carried with 28 in favour, 1 against (USA), and 11 abstentions (including Canada).

From a developed country viewpoint, CNR-V can hardly be considered a success. Although officially the Committee has 54 members, only about 30 were present for the first week and several OPEC and developing country delegations appeared only for discussion on energy and permanent sovereignty.

RECENT AMALGAMATIONS AND MERGERS PUBLISHED IN THE GAZETTES

Highmont Mining Corporation was formed by the amalgamation of Torwest Resources (1962) Ltd. and Highmont Mining Corp. Ltd. on 29 Apr. 1977. Source British Columbia gazette 19-5-1977.

Wayfair Explorations Limited was formed by the amalgamation of Headway Red Lake Gold Mines Limited and Coulee Lead and Zinc Mines Limited on 3 Mar. 1977. Source Ontario gazette 2-4-1977.

A Certificate of Ownership and Merger filed with the Secretary of State in Delaware, USA between Duval Corporation and Duval Corporation of Canada on 29 Dec. 1976. Source British Columbia gazette 19-5-1977.

Denworld Mining Limited and Quintette Coal Limited amalgamated as one company under the name Quintette Coal Limited on 16 May 1977. Source British Columbia gazette 2-6-1977.

Utah International Inc. merged with GESUB of Delaware Inc. and the surviving corporation of the merger is Utah International Inc. on 5 May 1977. Source British Columbia gazette 26-5-1977.

NEW PUBLICATIONS

The following publications were prepared in the Mineral Development Sector, Department of Energy, Mines and Resources and released for distribution in June.

Preprints, *Canadian Minerals Yearbook 1975*.
Chromium; Fluorspar; Lithium; Nepheline Syenite and Feldspar; Rare Earths; Silica; Sulphur.

The above publications are available from the Publishing Centre, Department of Supply and Services, Ottawa, for 50¢ a copy.