

Production of synthetic rubber in Canada has been centralized at  
 Sarnia, Ontario, an area served by water, rail and highway transportation,  
 and at a relatively short distance from the plants engaged in the pro-  
 duction of latex, which will consume about 85% of the synthetic rubber  
 to be produced. The plant, operated by Belfair Corporation Limited, a  
 Canadian Crown company, is expected to be completed and in full pro-  
 duction by November 1, 1947. The plant investment, operation, production  
 and by-products are owned and controlled by the Canadian government.  
 The project has been designed to meet the full war needs of Canada, and  
 though it will not meet the peacetime needs in addition, it is expected  
 that it will wholly meet post-war needs, with some allowance for  
 industrial expansion. The government's investment in the corporation  
 is between \$40,000,000 and \$50,000,000, representing an average plant  
 investment of approximately \$1,000 a ton of annual capacity.

Present indications are that the construction of the system  
 plant will be far enough advanced to commence with the manufacture of  
 styrene from alcohol in the near future and of styrene at the rate of  
 6,000 tons per year within a short time thereafter. On the other hand,  
 the copolymer plant can operate only if supplies of butadiene can be  
 procured from the United States, since the butadiene plant at Sarnia  
 will be the last to be completed and brought into production. The  
 construction of the two butadiene units has been delayed because of  
 difficulties in obtaining certain equipment, but it is expected that the  
 first unit will be completed some time in September, 1947, and the se-  
 cond unit about a month later, each unit with a rated capacity of  
 12,000 tons a year. If supplies of butadiene can be obtained from the  
 United States the plant should be operating at about 50% of capacity  
 and manufacturing 6,000 tons of rubber by August 31, 1947. Imports of rubber  
 substitutes of the Buna-S and Butyl type are exempt from customs duties  
 and war exchange tax, and the same treatment has recently been extended  
 to imports of butadiene.

In the making of synthetic rubber, it has been found advisable  
 on occasion to add a certain amount of natural rubber in order to

and  
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