

rio - no longer have access to undeveloped hydro sites, and fossil fuels must be transported into the area.

The current estimate of nuclear power in Canada is based principally on the future requirements of Southern Ontario. Assessing the need for power in this area in the light of Canada's nuclear-power programme leads to the conclusion that three or four large stations may be in operation by 1970. The first station, the 200 MWe CANDU is scheduled for operation in late 1964 or early 1965. There is the possibility that a few smaller stations, or one or two medium stations, may be in operation in other parts of Canada by 1970 for a total estimate of about 1,000 nuclear megawatts in Canada at that date. These will probably be heavy-water-moderated reactors and, therefore, will have a smaller uranium requirement than for other types discussed in this report.

#### CURRENT SUPPLY SITUATION

The Canadian mining industry has contracts for approximately 15,000 tons per year until the end of March 1962. In the following year the USAEC is committed to purchase 2,000 tons, and 5,000 tons (only the value figure, 105 million dollars has been released, but the price is probably about \$10 per pound) will go to the United Kingdom. At the present time, therefore, the industry is assured of a market in 1962 for slightly more than half current output. There is very little indication of firm sales contracts for 1963 and following years.

The Canadian uranium industry is the first among the supplying countries to face readjustment. This will come two or three years in advance of any readjustment that must be made by either the South African or American industry.

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#### SECURITY TRANSACTIONS

Net inflow of capital to Canada from all portfolio security transactions in the second quarter of 1959 amounted to \$126 million as compared with \$168 million in the first quarter and with \$239 million in the corresponding quarter of 1958. The total for the second quarter was made up of net sales of outstanding Canadian securities totalling \$55 million and new issues totalling \$152 million offset by retirements of \$72 million of foreign-held Canadian securities and by net purchases of \$9 million of foreign securities, mainly United States stocks and bonds.

The movement in this year's second quarter was generally similar in pattern to the preceding quarter. Among the changes of note was an increase in the proceeds of new issues of Canadian securities sold to non-residents from \$137 million to \$152 million. The total of government and municipal issues as a group was

relatively unchanged while there was a growth of \$16 million in sales of corporate securities which totalled \$41 million. The corporate total was also higher than for the final quarter of 1958 but was lower than for earlier quarters of that year.

The largest change occurred in retirements of foreign-held Canadian securities which rose from \$37 million in the first quarter to \$72 million in the second. The volume of retirements of foreign-held Canadian securities may be expected to rise as time goes on. Retirements of bonds and debentures totalled only \$140 million in the whole of 1958 or to less than 3 per cent of the debt outstanding in non-resident hands. The term of this debt would of course be generally much shorter than is implied by the current retirement ratio. The evident rising interest of Canadian investors in purchasing foreign securities is also note-worthy, although the amounts are not, at least yet, of great significance in the Canadian balance of payments.

Trade in outstanding Canadian securities has led to a smaller net capital inflow month-by-month since March when it produced \$38 million. In June, a sharp drop in net sales to non-residents of outstanding Canadian stocks from \$14 million in May to \$2 million caused a decline in the total inflow from trade in all outstanding Canadian securities from \$17 million to \$10 million. Trade in outstanding foreign securities was little changed, the net outflow of \$7 million for the purchase of foreign securities in May falling to \$5 million in June.

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#### ASIAN GEOLOGISTS IN CANADA

A group of 15 geologists and mining engineers from Asia and the Far East arrived in Vancouver from San Francisco on September 19 to begin a two-week tour of Canadian mines and plants.

The Study Tour, sponsored jointly by the United Nations Bureau of Technical Assistance Operations and the UN Economic Commission for Asia and the Far East (ECAFE), has been arranged to help the group to advance their knowledge of modern geological and mining techniques and equipment used in the development of mineral resources.

The 15 participants are government officials from the following 12 countries or territories: British Borneo (including North Borneo, Brunei and Sarawak), Ceylon, the Republic of China, Hong Kong, India, Indonesia, Iran, Japan, the Republic of Korea, the Federation of Malaya, the Philippines and Thailand.

The Canadian itinerary is being directed by Mr. K.J. Stewart, Head of the Information and Special Projects Section, Mineral Resources Division, Department of Mines and Technical Surveys.