quarters. Tourist expenditures in Canada by non-residents, included in the statistics relating to exports of services, expanded very sharply during the Expo period, while tourist expenditures by Canadians in Canada were also above normal levels.

Other sources of strength in 1967 which overshadowed the cyclical weaknesses were a strong merchandise export performance, the continued very large increases in expenditures by governments, and the recovery of residential construction from its 1966 levels. These demand factors were accompanied by further increases in employment, which arose partly from uninterrupted advances in the number of women at work, and partly from higher immigration. The growth in the labour force slowed significantly after mid-1967, reflecting the reduced rate of growth in non-farm employment which began to show at the end of the first quarter.

Developments in the first two quarters of 1968 have been dominated by the continued strength of these factors. Consumer expenditures and labour income both recorded substantial gains in this period, while exports of goods and services advanced at an exceptional rate. Government sector expenditures have continued to increase. In conjunction with the mild cyclical changes discussed above, these factors have thus led to fairly strong quarterly increases in the various national accounts income and expenditure totals. However, the employment increases accompanying this growth in output have fallen short of the rapid growth in the labour force. Accordingly, the seasonally-adjusted unemployment rate has risen, and in mid-1968 it was running at about five per cent of the labour force.

The Canadian economy at the present time, therefore, has the physical capability of continuing on a sustained period of growth. Having regard to the continued large increases in money incomes still occurring, current cost and price developments are of crucial importance. The price pressures generated by the 1965-66 boom, although lessening somewhat, have persisted throughout the period of adjustment. Accordingly, the extent to which sustained growth may occur must be viewed against the problem of price and cost stability....

B.C. POWER PROJECT PROGRESS

Facilities for British Columbia Hydro's Peace River project have been tested successfully at 500,000 volts, the highest voltage ever produced in the province.

Work is nearly complete and final testings under way on all phases of the project required for initial operation of the generating-station.

The transformer-shaped central-control building, 100 feet high, and the 1968 stage of the switchyards on the southeast flank of the dam are virtually complete. A 500-foot shaft housing two high-speed elevators connects the building with the power-plant directly below.

Also nearing completion is the spillway on the west side of the dam. This concrete-lined chute, 100 feet wide and 2,300 feet long, will be used as a safety device for discharging peak flood-water.

A 500,000-volt transmission-line stretching 575 miles from the power project to the lower mainland is complete and the reservoir behind the W.A.C. Bennett Dam has reached an elevation of 2,060 feet above sea-level – 60 feet above the minimum level required for initial operation of the first three power-house units. The deepest point of the reservoir immediately behind the dam is now 430 feet.

Work is well advanced on installation of the fourth and fifth turbines, scheduled to go into service next year. The remaining five units will be brought into service later, one in 1971, two in 1972, and the last two as required. The ultimate generating capacity of Portage Mountain Generating Station with all ten units operating will be 2.3 million kilowatts, equal to the total of all British Columbia Hydro's present facilities.

Clearing for the second, 558-mile-long transmission-line for the Peace River project has been completed, except for a section south of Kelly Lake, near Clinton. Towers have been erected and conductor cable strung along most of the portion between Portage Mountain and Prince George. This line will be brought into service as far as Kelly Lake in 1969.

WESTERN OIL WELL COMMEMORATED

The first well in Western Canada to yield crude oil in appreciable quantities was commemorated recently at Oil City, Waterton Lakes National Park, Alberta, as a national historic site by Mr. Jean Chrétien, the Minister of Indian Affairs and Northern Development.

In 1902 at Oil City, in what is now Waterton Lakes National Park, the Rocky Mountain Development Company struck oil at a depth of 1,020 feet. Although this well remained in operation for only two years (the drilling-tools became embedded in it by gravel), its total production of 8,000 barrels encouraged other companies to seek drilling-sites in southern Alberta.

Previous attempts to obtain oil in Western Canada had been unsuccessful. Operations at Athabaska Landing from 1894 to 1896 were suspended because of crumbling shale and the thickness of overlying strata, and a project at Pelican Rapids was abandoned because natural gas escaping under pressure froze the oil on the drilling-tools.

The Historic Sites and Monuments Board of Canada declared the Oil City site of national historic significance because it encouraged prospectors who continued the search which led to the strike at Turner Valley in 1914. This strike opened up the oil and gas industry of Western Canada.

The first oil well in Canada to be declared a national historic site (1938), is located at Oil Springs, Ontario. It was dug by James M. Williams in 1858.

Nearly 6,000 Red Cross blood donor clinics were held in Canada during 1967.