

for 1970, compared to \$16 million for 1963, an increase of more than 300 per cent. The Federal Government itself participates in petroleum prospecting in the Far North through the agency of the Panarctic Oils Company, a mixed corporation of which the chief shareholder is the Government, with 45 per cent of the shares. This company undertook to spend \$50 million over a five-year period in order to sink 17 wells in the Arctic archipelago. In addition, the Department of Northern Affairs, which is responsible for the development of natural resources in the Far North, has contributed handsomely to the present expansion of the mining and petroleum sectors by considerably increasing the volume of its investments in the development of natural resources, transport and communications. Thus, between 1961 and 1965, public investments rose from \$10 to \$19 million, and it is estimated that they reached almost \$40 million in 1969.

The Canadian Arctic possesses other resources besides its mining and petroleum potential. Almost 18 per cent of Canada's fresh-water reserves are to be found there. In addition, the North of Canada has a number of still-untapped sources of hydro-electric power. A profitable forestry industry exists in the Yukon and the Mackenzie District. It is improbable that manufacturing will develop on a large scale in the near future. On the other hand, tourism, fishing and hunting are gaining momentum, especially in the Western Arctic. Finally, the economic contribution made by the government of the Northwest Territories deserves particular mention. As a result of recommendations by the Carrothers' Commission, the Federal Government transferred the seat of government of the Northwest Territories from Ottawa to Yellowknife in 1967. Since then, the budget and assets of the NWT have risen considerably. The budget, which stood at only \$7 million in 1963, should reach \$82 million in 1970; the number of persons employed in the administration of the Territories, fewer than 100 at the time of the transfer to Yellowknife, will probably reach 1,700 this year.

The future of Northern Canada remains in most respects closely bound to the development of its natural resources: mines, petroleum, forests, water and the related activities of fishing and hunting. This development will continue to require considerable investment in both the private and public sectors. The Far North's potential has so far remained largely untapped, but since demand from domestic and world markets is increasing, and as technical progress facilitates the opening of new mines and reduces the cost of shipping its products, the North will certainly be called on to intensify the exploitation of its resources. Transport is unquestionably the key to taking full advantage of this area's almost boundless potential. In particular, if the voyage of the Manhattan succeeds in opening the Northwest Passage all year round, Canadian tankers and ore-freighters will be able to use this route, thus doubling the profitability of certain expansion projects in the Arctic. Geographically, Northern Canada is at the summit of the world. Banks Island is nearly equidistant from London, Tokyo and New York. The Arctic is already used as a short-cut for airline routes. A permanent seaway through the Northwest Passage would shorten the traditional ocean routes by thousands of miles, and might revolutionize the activities of this region to an even greater extent than did the building of the railroad in the Western United States and Canada. The boom in the Far North's development seems to have just begun.

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