



# CANADIAN WEEKLY BULLETIN

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## CANADA'S BIG RESOURCE PROJECTS

Pointing out that the very high rate of capital investment - last year 26 per cent - has been an outstanding feature of Canada's postwar economic growth, the "Monthly Review" of the Bank of Nova Scotia attributes a key role in this surge of capital spending to resource development.

There has since 1950 been a growing emphasis on very large projects in areas untapped before, the Review notes - iron ore in Quebec-Labrador, uranium in Ontario, nickel in northern Manitoba, oil and gas on the prairies, water power to produce aluminum in northern British Columbia, to give only a few leading examples. From one coast to the other the big project has become a familiar landmark, stimulating activity and pushing the frontier northward.

This wave of resource development on the grand scale has been brought about by a conjuncture of favourable circumstances. Of primary importance has been the postwar rise in world demand for industrial materials, particularly the insistent needs of the huge and growing economy of the United States. In some instances - the Knob Lake iron-ore project is an outstanding example - this demand has been concentrated in a single United States industry which not only has constituted a market for the product but has also provided much of the capital and the specialized technical knowledge required. A further stimulus has come from new techniques in discovery, processing and use. Spurred on by the demands of the

atomic age, prospectors were led by the geiger counter to the uranium deposits lying along the edge of the Canadian Shield. The airborne magnetometer or "flying doodle-bug" has been increasingly used in the search for minerals, and played a major role in locating the huge nickel orebody in the Mystery Lake area of northern Manitoba. An advance in titanium metallurgy led to the exploitation of the Allard Lake ilmenite orebody in New Quebec. And new extractive methods are bringing closer to realization such long-mooted projects as development of the Athabasca tar sands and of the Woodstock, New Brunswick manganese deposits.

Because previously untapped resources are for the most part located in remote or inaccessible areas, development tends to be on a large scale. Railways, roads and airstrips have to be built, power developed, townsites established, and municipal facilities such as schools, hospitals and sewers provided. The cost of these ancillary services is high and must be spread over a large volume of output if the undertaking is to be economic. Because of the large amounts of risk capital needed and the keen United States interest in Canada as a source of raw materials, the big resource projects, especially those involving mineral development, have been a focal point for the inflow of United States capital - which has been encouraged by the favourable investment climate in this country.

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