

Mr. T. Lem. Carter.

Mr. Louis Philippe Picard, at present Ambassador to Argentina, will be leaving his post some time this month on the termination of his assignment. The appointment of Mr. Picard's successor will be announced later.

The Secretary of State for External Affairs also announced the resignation of Hugh L. Keenleyside from the Public Service of Canada. Mr. Keenleyside, now 60, is Director General of the Technical Assistance Administration of the United Nations.

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CANADA'S POSTWAR EXPANSION

The following article is reprinted in part from the Bank of Nova Scotia's Monthly Review:

No aspect of Canada's remarkable postwar economic growth has attracted more attention than the very high rate of capital investment. In the years since the war, capital outlays have absorbed on the average no less than one-fifth of the total national expenditure. Not since the railway-building era early in the century has the rate of capital formation been so high.

The key role played by resource development in this surge of capital spending is well known. Though the growth of secondary industry and efforts by the various levels of government to meet accumulated needs for social capital have been important, the postwar capital boom has been sparked by the accelerated development of mineral, forest and water-power resources.

Moreover, since about 1950 there has been a growing emphasis on very large projects in areas untapped before. In the earlier postwar years, development tended to centre on the extension of existing industries based on known and accessible resources; it was largely a "filling-in" process. Thus, pulp and paper capacity was increased in both the east and the west; the extension of asbestos-mining facilities in the Eastern Townships of Quebec was undertaken; and additional hydro-electric sites were developed to serve industrial areas across the country. This filling-in process has of course continued; for instance, several big new pulp and paper mills have been built and old ones expanded both on the British Columbia coast and in eastern Canada, and nickel-copper capacity in the Sudbury Basin is substantially enlarged. But in the past seven years or so emphasis has shifted more and more to resources previously unexploited: 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 con-

junction 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 U.S. 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 Athabascatar 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 U.S. 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 U.S. capital--which has been encouraged by the favourable investment climate in this country.

The big resource projects have had profound and far-reaching effects on the Canadian economy. New transportation routes are threading their way north into the wilderness all across the country, opening the way for further development. The St. Lawrence Seaway and the oil and gas pipelines are strengthening the traditional lines of communication that link east and west. New industries are springing up based on the newly available raw materials. The establishment of a petrochemical industry in Alberta is of course the prime example. Often, too, resource projects are inter-related. One of Edmonton's petrochemical plants produces textile fibres using Alberta natural gas and British Columbia pulp as raw materials. Sulphur extracted from the "sour" gas produced in the foothills of southwestern Alberta is shipped north to Uranium City, west to the B.C. pulp and paper mills and east to a