



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 21 No. 41

October 12, 1966

CONTENTS

Northern Resources and Canada's Future	1
New Cabinet Portfolios	3
CNR President to Retire	3
Aid African Literacy Drive	3

Tokyo Travel Office	4
Centennial Sports Grants	4
Increased Labour Force	4
German Air Industry Mission	5

NORTHERN RESOURCES AND CANADA'S FUTURE

In a recent speech to the National Hardwood Lumber Association in Toronto, Mr. Arthur Laing, the Minister of Indian Affairs and Northern Development, described the special disadvantages of life in Canada's North but was confident that, as "technical capabilities" improved, hardships such as extreme cold and transportation difficulties would be eliminated or at least "reduced in importance".

Of the spectacular increase in the production of lead and zinc in the Northwest Territories, Mr. Laing observed that it accounted for "most of Canada's mineral output at this time".

Stressing the importance of new international markets for Canadian exports, Mr. Laing urged that these be sought "globally, not just continentally". "We should continue in our objective of world wide freer trade," he said, "and not be satisfied with anything less."

The following is a partial text of the Minister's remarks:

...Northern exploration and the subsequent development of the North has posed a challenge to adventurous men for several centuries. It brings to the mind pictures of hardy explorers braving the harsh elements to make known a new land and new routes to riches. We are even told that the Vikings may have been the first from Europe to set foot on the shores of North America. Whether or not this can be substantiated by the evidence available, one thing is certain - that most of the explorations were undertaken in response to economic stimulus, though the leaders and men who made up the various expeditions were certainly meeting a challenge to themselves as much as seeking a profitable opportunity for those financing the undertaking.

Men were attracted into the Far North in their search for the produce of the sea and today one can hear many tales of the visits of the whaling-ships to remote communities. It is well known, however, that probably the greatest stimulus to exploration and that which resulted in the discovery of the North American continent by Columbus was the desire to find a westerly sea-route to the riches of the Orient. Undeniably the search for a northwest passage was the main factor leading to the discovery and identification of many of the Arctic islands.

To what extent these early explorers thought the land over which they travelled or the islands they passed in their ships would one day provide a rich source of natural resources one cannot be sure, but they were keen observers and reported on their findings. For example, Mackenzie saw the oil-seeps of what is now the oil-field at Norman Wells, and Bernier reported the existence of coal plus a tar-like substance which was chewed by the Eskimos from Melville Island. Today, the Norman Wells oil-field supplies petroleum products throughout the Mackenzie Valley and the Melville Islands oil-sands are one of the most important proofs of the existence of hydrocarbons in that vast region. The most extensive voyages of discovery were made during the latter part of the twentieth century, but, during this time, another attraction was luring men from their homes half way round the world. I refer here to the gold-rushes in Australia, California, British Columbia, and, finally, the Yukon. Gold on the Klondike was responsible for the establishment of a community located in a remote corner of Canada where access was difficult and the climate extreme. Nevertheless, within a few years from the original discovery in

1898, a railway had been built over what even today would be considered almost impossible country from an engineering standpoint, a regular supply route established from railhead to Dawson City and a community was built which, at its height, contained 25,000 to 30,000 people.

Trade and the opportunity to profitably exploit natural resources were the two factors that led to the discovery and initial development of the North. Today, things have not changed a great deal. This statement might surprise you because facilities in the North have improved tremendously and social and living conditions are gradually being brought to a par with the average in the rest of Canada. In both the Yukon and Northwest Territories, a first-class school system is now in operation and a very large proportion of the school-age population now attend on a regular basis. Hospitals, air service, and an expanding network of roads in the western regions are all helping to bring the North more into the nation's economic and social structure.

The Federal Government invests relatively large sums annually, both in the development of orderly administration and government for the region and in the capital needed to provide the infrastructure that must be available if economic expansion is to follow. However, economic expansion today, as it was 70 years ago, is still dependent on the profitable exploitation of northern natural resources and this simple fact must guide those who are concerned with planning and investing for the future of the North.

Canada's economy is primarily resource oriented. Very often in our efforts to expand and encourage the establishment of new processing, manufacturing and secondary industries, we tend to forget the very foundation on which these must be based. In the North one cannot forget this because, by and large, all else is stripped away and the attention must be focused on the resource potential.

In referring to the North, I mean that area north of the 60th Parallel not included in any province but comprising the Yukon and Northwest Territories. There are, of course, many areas within the provinces that can be regarded as northern and where the situation is very similar to that of the territories.

DRAWBACKS WILL FADE

There are many things that, at the moment, the North does not have and these must be recognized, and at least accepted for the time being, if we are to make best use of available resources in accordance with the limitations imposed by our current state of technological advancement. In mentioning some of these disadvantages, however, I want to make it quite clear that they are disadvantages as seen from a moment in time. They might, therefore, be termed relative disadvantages because many will disappear, or at least be reduced in importance, as our technical capabilities continue to improve.

One of the most striking factors of our Northland is that it comprises in excess of 35 per cent of the total Canadian land-mass and yet its inhabitants number a small fraction of 1 per cent of the total Canadian population.

The hasty explanation for this is that the climate of the North is so unattractive as to deter people from settling there. While this is probably a factor, there are many spots on the Prairies, for example, that are just as cold during the winter as some north of the 60th Parallel. Although we, as Canadians, have accepted and successfully overcome many difficulties imposed by the tremendous size of our country, the problem is magnified many times in the North. Even to gain access to those areas holding resource promise needs careful planning and the utilization of all available methods of transportation. The explorer must face, perhaps, the rugged mountain country of the Yukon, the muskeg regions of the Mackenzie, the barren lands of the Eastern Arctic or the frozen desert of the Arctic islands, and each of these in its turn poses its own particular difficulty. The discovery of minerals or oil in each of these regions, however, demonstrates that access is not an insurmountable problem, but there is no doubt that it does add to the cost of exploratory operations.

POTENTIAL RESOURCES

...Until recent years the prime, and best-known, natural resource to come from Canada's North was gold. Not counting the rich finds of the late 1800s and the early 1900s, more than \$223-million worth of gold has been mined from the territories since 1932.

The Yukon is still relatively unprospected, but already enough is known to suggest that it may be the richest in minerals of the entire Cordilleran region, one of the two great metal-bearing regions of the North American continent. More than 25 minerals have been discovered in the Yukon, and of these, ten have been produced — gold, silver, lead, zinc, cadmium, copper, coal, tungsten, platinum and antimony.

As for the Northwest Territories' mineral potential, the eastern two-thirds of the mainland area, and many of the Arctic islands, are covered by the mineral rich Canadian Shield. The western part of the N.W.T. bordering the Yukon is the potentially mineral rich Cordilleran region. Between these two mineral areas lies the Mackenzie Valley, which is the extension of the Great Central Plains and is considered good gas and oil land.

Taking away the limelight from gold, and climbing at a fantastic rate, is the production of lead and zinc in the Northwest Territories. It accounts for most of Canada's mineral output at this time. The total value of minerals produced in the Northwest Territories during 1965 was \$75 million, a rise of \$61 million over the 1963 total of \$14 million. Lead and zinc from the N.W.T.'s Pine Point area accounts for most of the mineral production at present, amounting to \$52.5 million in 1965.

Reports of discoveries of high-grade lead-zinc ore on property adjoining the claims of Pine Point Mines Limited late in October 1965, initiated the largest staking rush in the history of Northern Canada. Whereas the number of claims recorded in the Pine Point area totalled 6,000 prior to October 1965, an additional 14,000 claims recorded in the three months following brought the total number of claims staked

NEW CABINET PORTFOLIOS

The Governor General recently administered the oath of office to the following Cabinet Ministers, who have been appointed to new portfolios as a result of the proclamation of the Government Organization Act, 1966: The Honourable Arthur Laing, Minister of Indian Affairs and Northern Development; The Honourable Guy Favreau, Registrar General of Canada; The Honourable Maurice Sauvé, Minister of Forestry and Rural Development; The Honourable E.J. Benson, President of the Treasury Board; The Honourable Lawrence T. Pennell, Solicitor General of Canada; The Honourable Jean-Luc Pépin, Minister of Energy, Mines and Resources; The Honourable Jean Marchand, Minister of Manpower and Immigration.

Mr. Favreau will continue to serve as President of the Privy Council, and Mr. Benson as Minister of National Revenue.

The Government Organization Act, 1966, represents the most extensive reorganization in the responsibilities of Government departments ever undertaken in peace time in Canada. Its purpose, the Prime Minister has said, is designed to adapt the machinery of Government to new conditions and changing needs.

The effect of the administrative changes will be that one Minister will have a specific responsibility for the Treasury Board, which will have become a central point for administrative improvement in the public service. There will, for the first time, be a Minister whose attention is concentrated on manpower policy, and another concerned with industrial relations and labour standards. One Minister will be responsible for co-ordinating resource and energy policy. The problems of Indians and the North will have the concentrated attention of one Minister. The Minister of Justice will be able to concentrate on legal matters, while the Solicitor General will be responsible for the administration of police and correction services.

* * * *

CNR PRESIDENT TO RETIRE

The Prime Minister recently made the following announcement concerning the impending retirement of Mr. Donald Gordon, President of Canadian National Railways:

I am advised by the Board of Directors of Canadian National Railways that Mr. Donald Gordon has expressed the desire to retire as President of the Company and that, in accordance with the normal pension rules of the Company, he would retire from office on reaching his sixty-fifth birthday in December. It has been agreed that Mr. Gordon's retirement will date from December 31. I am pleased to announce that he will be succeeded as Chairman and President by Mr. Norman J. MacMillan, effective January 1, 1967.

Mr. Gordon's long and distinguished service to his country is well known throughout Canada and,

indeed, internationally. It will be recalled that, three years ago (October, 1963), Mr. Gordon made known his desire to be relieved of his heavy responsibilities. The Government prevailed upon him to accept reappointment at that time to complete work he had undertaken on various projects designed to reorganize and strengthen the Railway.

A GREAT CANADIAN

When Mr. Gordon lays down the heavy burden that he has borne so ably these past 17 years, he will have been President for a longer period of time than any president of a major railway in North America. For this service, and for his tireless devotion to the growth and welfare of Canada in war and in peace, I express the deepest appreciation. His wartime accomplishments as Chairman of the Wartime Prices and Trade Board are legend. That effort in itself, and its highly effective results, gave to Mr. Gordon and to Canada an enviable international reputation. His talents were applied with equal effect as Deputy Governor of the Bank of Canada and, finally — in perhaps his most productive role of all — as Chairman and President of Canadian National Railways, which has been transformed into a modern, efficient transportation system under his leadership. Mr. Gordon is one to whom the appellation "a great Canadian" really applies.

NEW PRESIDENT

To succeed him, it is most gratifying to have available Mr. Norman J. MacMillan, who has served at Mr. Gordon's side as Executive Vice-President for the past 10 years.

Mr. MacMillan is widely recognized in the transportation industry as a career man whose practical knowledge of the transportation industry is outstanding.

After a distinguished academic record, which led to degrees in arts and in laws at the University of Manitoba and Manitoba Law School, followed by law practice in Winnipeg, he entered the service of Canadian National in 1937 and has since become intimately acquainted with every sector of the company's operations. He has been deeply involved in the implementation of his company's administrative reorganization and in the programme of modernization. Mr. MacMillan has also given valuable public service apart from his railway career, notably during the Second World War when he was on loan to the Government to assist in the organization of the Commonwealth Air Training Plan.

* * * *

AID AFRICAN LITERACY DRIVE

Mr. Paul Martin, Secretary of State for External Affairs, announced recently that Canada would send \$60,000-worth of printing equipment to the East African Common Services Organization. The contribution is the latest step in Canada's assistance to an intensive literacy campaign in East Africa, where 91 per cent of the adults are unable to read or write

and the cost of two textbooks purchased from sources outside Africa would be, for thousands of people, the equivalent of a year's income.

In 1964 and again in 1966, Canada donated to EACSO, which comprises Kenya, Uganda and Tanzania, 80 tons of paper and paper stock. The printing equipment sent by Canada will further reduce textbook costs.

Besides supplying paper and equipment, Canada's External Aid Office has sent Alfred Bruce Stirling, a native of St. John's, Newfoundland, as publications adviser to the East African Literature Bureau in Nairobi, Kenya. According to Mr. Stirling's reports, Canada's contributions are helping the Organization promote new African authors and spread literacy. The fact that the entire staff of the Bureau is African makes it possible for Mr. Stirling to train individuals who will be able to continue serving after he has completed his assignment and returned to Canada.

The Bureau is at present producing some 50 soft-cover books a year, published in 5,000 to 10,000 copies of 120 to 160 pages each.

In addition to primers, the new printing equipment will be used to print readers, follow-up literacy materials in a number of African languages, and adult education textbooks for which there is a desperate need.

TOKYO TRAVEL OFFICE

The Minister of Manpower and Immigration Mr. Jean Marchand, opened the new office of the Canadian Immigration Service in Tokyo last month, and officiated at the opening of the new Tokyo office of the Canadian Government Travel Bureau, a branch of Canada's Department of Trade and Commerce.

The two ceremonies reflect Canada's broadening interest in skilled immigrants and in visitors to Canada.

Canada now has immigration offices providing information and selection services for potential immigrants in 37 major world centres.

The new travel office is the latest addition to the 20 Canadian Government Travel Bureau posts in Europe, the United States, Latin America, and the Orient, where trained travel counsellors help promote travel to Canada.

CENTENNIAL SPORTS GRANTS

Sports grants totalling nearly half a million dollars were announced recently by the Minister of National Health and Welfare Mr. Allan MacEachen and the Secretary of State, Miss Judy LaMarsh.

The grants were awarded under the provisions of the Fitness and Amateur Sport programme and the Centennial Commission Sports Programme and will support nine world championships and world tournaments, seven international competitions, six Can-

adian tournaments, tours or events and two additional special projects, to be held in Canada during centennial year.

WORLD EVENTS

World championships in fencing, badminton and lacrosse are to be staged in and around Toronto, and a world horseshoe tournament. World snowshoeing and water skiing championships are to be held at Ottawa and Sherbrooke respectively. A world lawn-bowling tournament is slated for Montreal and a figure-skating tournament is scheduled for Calgary or Vancouver. World championships in 12 different yacht classes will also be staged.

INTERNATIONAL EVENTS

International competitions supported through the grants include a tri-country young athletes track meet in Ottawa, two weightlifting matches among athletes from the Canadian, and top national teams competing in the Pan-American Games in Winnipeg; a cross-Canada tour by the top basketball teams competing in the 1967 Pan-American Games, a ski-jumping meet near Ottawa, a demonstration softball tournament in conjunction with the Pan-American Games; the Commonwealth Junior Tennis Championships in Ottawa in conjunction with the Canadian Junior Tennis Championships, and an international archery tournament in Toronto.

NATIONAL EVENTS

National events and competitions being supported through the grants include a cross-country tour by the Marylebone Cricket Club of England, a country-wide tour of international field hockey teams competing at the Pan-American Games, the Centennial Canadian Paralympic Games (Canadian Olympic for Paraplegics), in Montreal, a cross-country tour of the All-England Rugby team, and a Centennial Canadian Midget Hockey Championship series, to be staged at Kingston during the Easter holidays.

INCREASED LABOUR FORCE

During June and July employment in Canada increased by an estimated 240,000 to 7,543,000 an increase which is above average for this time of year. A similarly large increase of 254,000, brought the labour force to 7,787,000. Unemployment rose by 14,000 to 244,000 during the month, whereas it usually registers a slight decrease during this period.

EMPLOYMENT

About a third of the increase from June to July in employment was in agriculture. The advance of 160,000 in non-agricultural employment stemmed mainly from increased activity in manufacturing, construction, trade and transportation. In all other industries employment levels remained practically unchanged.

Non-farm employment was up 343,000, or 5.2 per cent, from July 1965; the largest gains were in

manufacturing, community, business and personal service, and construction. Farm employment, at 655,000 was 51,000 lower than the figure recorded a year earlier.

All regions contributed to the year-to-year increase in employment. The largest relative gains occurred in British Columbia and Quebec, which showed advances of 6.5 per cent and 5.9 per cent respectively.

UNEMPLOYMENT

Unemployment increased by an estimated 14,000 to 244,000 during June and July. In four of the past five years employment declined; the decreases ranged from 11,000 to 17,000. Of the total unemployed in July, 184,000 were men and 60,000 were women. The age distribution of the unemployed showed little change from that of a year earlier.

Unemployment in July represented 3.1 per cent of the labour force, compared to 3.3 per cent in July 1965 and 3.7 per cent in July 1964. Seasonally adjusted, the July 1966 rate was 4.1 per cent.

* * * *

GERMAN AIR INDUSTRY MISSION

Eleven representatives of the Ministry of Defence of the Federal Republic of Germany and the German aircraft industry, arrived in Vancouver on October 1 for a two-week visit to Canada.

The mission, sponsored by the Department of Trade and Commerce, is designed to help the Canadian aerospace industries increase sales of civil and military aeronautical equipment to the Federal Republic of Germany.

Mission members were the guests of the Air Industries Association of Canada at its annual meeting in Victoria, British Columbia, from October 2 to 4. They are at present touring Canada meeting officials of Canadian industry and government who will acquaint them with the wide range of aerospace products available from Canada as well as developments being carried out by the Canadian air industries.

More than half the production of Canada's \$540 million aerospace industries is exported, the bulk going to the United States. Through such projects as this mission the Department and the industry hope to strengthen Canada's position in other markets and broaden the base of its export sales.

* * * *

NORTHERN RESOURCES AND CANADA'S FUTURE

(Continued from P. 2)

in that area well over the 20,000 mark at the end of January 1966. Staking activity was high throughout the winter of 1965-66 and is expected to continue for some time. The recent search and exploration for minerals have resulted in the discovery of two large

iron deposits, one straddling the Yukon-Northwest Territories boundary that quotes reserves in the range of 20-40 billion tons. The second is on Baffin Island that is estimated at some 130 million tons of extremely high-grade ore and the one that is most likely to come into production first.

The production of crude petroleum and natural gas in the Northwest Territories is valued at approximately three-quarters of a million dollars annually. Extensive exploration activity is taking place in several areas of the Western Arctic, as well as in the high Arctic. Finds of natural gas and oil have been made on the Peel Plateau in the Yukon, and testing continues in that area to determine whether a major body of oil can be found. The last estimates show that by 1985 Canada expects to produce more than one million barrels of crude oil a day for use by Canadian refineries and a further 700,000 barrels a day for export. This is almost double the present rate of production. On the basis of apparent volumes of sedimentary rock, the experts estimate as much as 13 billion barrels of oil may lie beneath the permafrost of the Northwest Territories and another 3 billion in the Yukon and 33 billion in the Arctic islands.

The economic future of the Yukon and Northwest Territories depends principally on the development of its non-renewable resources - minerals, oil and natural gas. The development of these natural resources is not only important to the people of the two territories and of vital importance to all of Canada but, because of the world's increasing dependence on discovery and utilization of the earth's minerals, it is important to the world.

EXPLORATION AND DEVELOPMENT

Another feature is the scale of some of our new development projects in Canada and in the North in particular. In today's world, new development schemes tend to be both bigger and more expensive than they used to be. My Department is not only aware of this but, in order to make northern resource development more feasible and attractive to industry, we have done something about it.

To gain the Federal Government's objectives, which call for an accelerated pace in northern development, we have now a number of incentive programmes that are geared to encourage investment of private capital in development of the North.

These incentive programmes are the Government's way of conveying our experts' confidence in Canada's Northland to the private investor. We have a Prospectors Assistance Programme, the Northern Mineral Exploration Programme, cost-sharing agreements in building exploration airstrips are possible - and about a year ago we embarked on a Northern Roads Network Programme that will bring every resource-potential area within 200 miles of a permanent road.

A number of types of road are included in the first ten-year programme, which provides for varying cost-sharing arrangements between the Federal Government, territorial governments and private industry.

It might interest you to know that, of the approximately \$25 million private industry is spending on

northern exploration and development each year, 10 per cent is spent merely on gaining access to its respective properties....

I am glad to be able to say that already there has been an increase in exploration spending since the road-building programme started.

We believe that a road network that can cope with the increasing demands of a world which is said to be getting smaller is vital to the economy and development of any country. This holds true especially for the 1.5 million square miles of virtually unexplored land of the Yukon and Northwest Territories.

Of major importance is that the new road-building programme helps Canada to be ready and able, to keep pace with today's technology which is geared to continuous utilization and discovery of the earth's resources.

SALUTE TO PINE POINT

These programmes are designed to open up the country and make exploration less expensive for those companies which are willing to take the risks, and reap the very great rewards. Pine Point is a good example of the rewards that are possible.

The construction of new towns in the wilderness is an old story in Canada, but we sometimes wonder if the majority of Canadians, who live in that 100-mile strip along the U.S.-Canadian boundary, realize how competent Canadian developers are and how amenable these new modern efficient northern communities can be. The example of Pine Point is spectacular. Those who did the job may be more modest in describing their achievement but we cannot do less than proudly salute the men who developed the mine and built the concentrator, the modern townsite, the railway, and the hydro-electric dam, all in record time and at reasonable cost. Everything is up to date at Pine Point - the town has all the necessary services, the concentrator uses the latest techniques for automation, and the power station at the Taltson River dam is completely automatic. This is the kind of development we can be proud of - and this is the kind of development we are going to have in the North in the future!

Pine Point is assured of a place in the history of northern development, but the future will probably bring much bigger developments in other parts of the North....

EXPAND EXPORT MARKETS

Resource development and international trade go hand in hand. Canadian well-being and prosperity has grown and been sustained by the development of Canadian resource-based industries. And these have been nurtured not by the demands of the Canadian market alone but by the market demands of the world at large, most particularly those of the highly-developed economies. At the same time, we are making great strides in the diversification of our export trade, especially in the remarkable gains in secondary

materials and manufactures. Our greatest successes in the future will undoubtedly continue to lie in our ability to produce and sell products with a more advanced degree of processing, based on the natural advantage of our resources. This is a good thing and should continue to be promoted.

In the development of Canadian industry, a large concentration of our trade has come to be with the United States. It seems to me that this is natural and makes good business sense. The United States, after all, is the largest and most highly industrialized market in the world and it is right on our doorstep. But it makes equally good sense for us to consider the totality of our market opportunities. It would be wrong to forego these opportunities, to narrow our perspective by focusing all our attention on one market to the exclusion of others. The breadth of our international market interests is reflected in the policies pursued by Canadian Governments in the post-war years. And the rewards of this policy are evident in the many areas of our economy where the greatest growth in trade has been with Europe and other countries such as Japan. The potential for trade with these countries and with the developing nations of the world is even more impressive than the great strides already made in that direction.

Notwithstanding our broad international interests and obligations, we must remain pragmatic. There may well be areas of our economy which seem to lend themselves more readily to a North American continental approach to trade and industrial rationalization. The most obvious example, of course, is the automotive industry, which, even before the recent Canada-U.S. agreement, was already closely integrated in many aspects.

We all recognize that the status quo is not good enough. We must continue to look for new markets and for new efficiencies. We must continue to develop Canadian industry, particularly in those sectors where we have a natural advantage. These industries will require new markets, and I want to emphasize that we should look for these markets globally, not just continentally. We should continue in our objective of world wide freer trade, and not be satisfied with anything less.

I feel that the right course taken here will have a profound effect on most all business endeavours whether they involve the exploitation of non-renewable resources such as minerals, oil and gas, or a resource in the renewable category like hardwood.

We at Northern Affairs have been in a position to become very familiar with the tremendous effort, ingenuity and application of skill that private industry is putting behind its many exploratory ventures....

The success of new projects and the continuing success of existing ones will, to a large extent, depend on whether or not there is an open road to the markets of the world....

It will be to everyone's benefit if we continue searching for more open roads, thereby securing markets for our products now and in the future.