



STATEMENTS AND SPEECHES

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No. 52/13 CANADA'S POST-WAR RESOURCES DEVELOPMENT

An address by the Minister of Resources and Development, Mr. Robert H. Winters, to a gathering of the Canadian Club of Shawinigan Falls and Grand Mere, made at Shawinigan Falls, Quebec, on March 19, 1952.

...The story of Canada's economic development in this post-war period is both engrossing and highly significant. In good part it is the story of the discovery and development of our natural resources. It is therefore about these resources that I should like to speak to you. Their richness and variety are at present being impressed upon Canadians with new force and vigour. Surely one of the most striking aspects of our recent economic history is found in the fact that major developments of our natural wealth are not confined to one or two provinces, but are taking place from coast to coast. Not only that, but some of the most important of these developments are centred on the fringe -- and beyond the fringe -- of present day settlement. They form a saga of an expanding frontier, of a continuing discovery of Canada. We may agree that those engaged in furthering these developments are in the true tradition of pioneers. The result of their efforts is to place new areas of Canada in the forefront of our national affairs.

Another feature of the resources development we are witnessing is, of course, the fact that some of the most spectacular projects are still in what may be described as the "tooling-up" stage. Both now and in the years immediately ahead, many men and much capital will be devoted to bringing these projects to full fruit. We are busy laying the solid foundations for future expansion.

If the quickening pace of our economic progress offers Canadians larger opportunities, it likewise lays new responsibilities upon us. In the world of today, much as we should like to enjoy our material wealth undisturbed, we freely acknowledge as our first duty the assumption of our full share of the free world's defence. At present we are appropriating about half of our national budget for this purpose. This country's preparedness programme is many-sided, and for some time to come it will absorb a substantial proportion of our energies. The particular point I wish to make now is that the accelerating development of our natural resources is an integral part of our defence preparations, and indeed, of those of the North Atlantic community of nations.

The products of our mines and forests are a strong bulwark in the defence of the Western world. For more than a decade Canada has been the world's leading exporter of non-ferrous metals. In 1951 we accounted for more than 82 per cent of the world's known output of nickel. At the same time -- and this is of particular interest to you here -- our production of aluminum was about 28 per cent of the world total, and nine out of every ten tons were exported. The significance of figures such as these has been underlined by the urgent need of the free nations for more of the base metals required to sustain their defence programmes, especially since the outbreak of the Korean war. Raw material shortages were the major cause of the sharp upswing in world prices which began after June 1950. I need hardly point out that, in these circumstances, an expansion of Canadian mineral production stands out as a direct contribution to our collective security.

Clearly our resources have great international importance. We may notice also that one kind of international co-operation is playing a vital role in their development. Foreign capital, largely from the United States, is providing the means and the stimulus for bringing into production several of the most impressive discoveries of mineral wealth made in Canada in a long while. This capital, and the "know-how" of this continent which goes along with it, is helping to expand our economic frontiers at a new pace.

Some Highlights of Recent Resource Development

Up to this point I have been concerned with the broad significance of Canada's resource development. Let us look now at some of the particulars.

One of the yardsticks for measuring Canada's industrial growth is our use of this country's waterpower resources. We find that in the last half-century installed hydro-electric capacity has risen from 275,000 horse-power to thirteen and one-third million horse-power, a 48-fold increase. A striking commentary on the sweep of our economic progress since the 1930's is found in the further fact that between 1939 and 1951 our hydro-electric capacity was enlarged by no less than 60 per cent. We have lately been adding to it at just about two-and-one-half times the pre-war rate. Now, with a population of less than one per cent of the world total, Canada develops over 10 per cent of the world's electric power. Even so, we have harnessed only one-quarter of the country's waterpower potential. The St. Lawrence Seaway, for example, will eventually provide Canada with more than one million horse-power from international waters, and facilitate the development of a further million and a half horse-power in Canadian sections of the river.

The location of our waterpower resources is an interesting study in itself. I would draw your attention to the part these resources have played, and are continuing to play, in the opening up of new areas of Canada. They have gathered an aluminum industry which already accounts, as I have mentioned, for about 28 per cent of the world aluminum production. Not without reason is aluminum sometimes spoken of as "packaged waterpower". Without our vast reserves of low-cost hydro-power this great industry could not have been established in Canada.

The most impressive examples of our post-war resources development come, of course, from the stirring story of recent mineral discoveries. They are nation-wide, and we may marvel at their diversity. Joined together, they offer exciting vistas of our country's future growth.

First of all, and quite naturally as a Maritimer, I am glad to be able to say that a number of base metal occurrences in my native Nova Scotia, and in New Brunswick, are arousing new interest and attention. It is expected that a zinc and lead mine in Cape Breton will be in production shortly.

Here in Quebec you are sharing in the expansion of iron ore development and production which has already raised the national output from a mere 125,000 tons in 1939 to something like 4,700,000 tons in 1951. A new chapter in the history of Canadian iron ore production is now opening in the wilderness of Labrador-Ungava. By the time production gets under way at Knob Lake roughly 200 million dollars will have been spent in developing this great field. One-third of the roadbed has been graded for the 358-mile railway from Sept Iles on the north shore of the St. Lawrence to the site of the ore deposits. Laying of steel has begun and it is expected that 190 miles of track will have been put down by the end of this year. Ore shipments are scheduled to commence in 1955 with an initial annual output of five million tons, which may be doubled the following year. Given the St. Lawrence Seaway, production might reach 20 million tons annually.

Another recent mineral discovery -- and one that is of extreme importance -- is that of ilmenite, the ore of titanium, at Allard Lake, here in your province. The deposit is believed to be the largest of its kind in the world. A 27-mile railway was built to link the mine with shipping facilities on the St. Lawrence, and ore is being taken to the furnaces at Sorel, where pig iron of high grade, and titanium slag are produced.

In Ontario, north of Lake Superior, the Algoma and Steep Rock mines are both expanding rapidly. Between them they are producing more than two million tons of iron ore a year. It is estimated that by 1955 this output may well be tripled and the forecast is for an eventual output of ten million tons.

There are also interesting iron ore prospects in other parts of Canada. Our production all told may well be capable of being increased from the current level of 4,700,000 tons to as much as 33,000,000 tons annually within the next decade.

Striking further westward, we come to the extensive nickel-copper deposits at Lynn Lake in the northern part of Manitoba. The 50 million dollar programme being undertaken there is scheduled to come into production by late 1953. An annual output of 8,500 tons of nickel and quantities of copper sulphide and scarce cobalt is expected by 1955. A start is being made on cutting and grading the roadbed for the 15 million dollar railway link between Lynn Lake and the railhead at Sherridon, 155 miles to the south. The Federal Government will contribute an estimated \$4,725,000 toward the building of the railway, which is to be completed by the autumn of 1953. Lynn Lake's anticipated nickel output, and a large part of its copper and cobalt, is already under

contract for the first few years of production. The present town of Sherridon, Manitoba, is now in the process of being moved -- virtually lock, stock and barrel -- by tractor train to Lynn Lake. This in itself is a feat to stir the imagination.

In the atomic age we have entered, uranium for peaceful purposes and for the free world's defence has taken on a crucial importance. Canada is already a major uranium producer by virtue of the operations of the crown-owned Eldorado Mining and Refining Limited, at Great Bear Lake in the Northwest Territories. This Crown Company has been carrying out a development programme in the Beaverlodge Lake area of northern Saskatchewan, toward the eastern end of Lake Athabasca. The forecast is that production from this property will be at least equal to, and probably considerably in excess of production from the Great Bear Lake property. The Department of Resources and Development joined with the Government of Saskatchewan and prospective uranium producers in sponsoring the construction of a 14-mile road giving the property access to water transportation to the south. This road has been completed and will be in use this coming summer.

Then there is Alberta oil. Just five years ago the Canadian crude petroleum industry supplied only 10 per cent of our domestic requirements. To-day the proportion is close to 50 per cent. The Alberta oil fields are now producing at an average rate of 160,000 barrels a day from the 3,000 wells already brought in. A pipeline extends from Edmonton to Superior, Wisconsin, and from it comes crude oil to feed the great refineries at Sarnia. As the hub of this development, the Edmonton metropolitan area has been experiencing a population growth unmatched by any other major city. Between the census years 1941 and 1951 its population rose from 98,000 to 172,000 or by more than 75 per cent. The story of Alberta oil is still unfolding. We may glance, too, at the famous Athabasca tar sands, roughly 250 miles north of Edmonton. Some day an economic process for extracting the oil in those sands may allow us to draw on petroleum reserves greater than all the proved commercial oil reserves of the rest of the world combined. At the present time Alberta has in sight a vast capital investment programme based to a great extent on oil and gas.

Still farther west, on the coast of British Columbia, the Aluminum Company of Canada has embarked on the first stage of a half-billion dollar project at Kitimat, 400 miles north of Vancouver. This first stage will bring in from 80,000 to 100,000 metric tons of new aluminum capacity by 1955. A further stage may increase this capacity to more than 500,000 tons, and could be completed by 1957, depending on markets and other factors. Measure this against the 400,000 metric tons of aluminum produced in Canada in 1950, and you gain a good conception of how big and important this western development is going to be.

Resource Development in the Northwest Territories and Yukon

I have mentioned only a few highlights of development in the various provinces of Canada. The process is being repeated many times over in greater or lesser degree from Newfoundland to British Columbia.

But there is an area north of the 60th parallel - beyond the northern boundary of the provinces - whose resources merit our attention.

As Minister of Resources and Development, I have a responsibility for, and perhaps a special interest in, the Northwest Territories and the Yukon. We are discovering that the north country is something of a storehouse of resources. With the rest of Canada it is sharing in the intensified search for this country's natural wealth. It is good to know that misconceptions about the North are gradually disappearing. The romance remains, however, though different from the romance of the Trail of '98. Today the joint population of the Northwest Territories and the Yukon is about 24,000 people.

It seems to me that resource development north of the 60th parallel holds special interest not only for itself but because of the special problems and difficulties to be overcome. These problems appear in some of the other parts of Canada, but usually, in less imposing form. Let us look at them for a moment.

First, the problem of climate. The range of temperatures in the North is remarkable - and sometimes fearsome. In February 1947, the thermometer at Snag in the western Yukon dropped to 81 degrees below zero, the lowest temperature ever recorded in Canada. In summer, on the other hand, the mercury at Dawson has been known to register 90 degrees above, or better. Temperature variations can pose their own special problems. For example, the base metal mine operating in the Keno Hill district of the Yukon faces unusual difficulties in trucking its products and supplies over the 250-mile highway linking it with Whitehorse to the south. In winter, frequent and excessive variations in temperature over the route, ranging as much as from 25 below to 65 below zero on a single trip, make it hard to keep the trucks in operation, and have required the adoption of a convoy system in order to safeguard the lives of any drivers who may be stranded in the colder weather ... I don't believe anybody has devised any such effective protection against the concerted efforts in the summer months of what seem to be the world's most determined flies.

Another set of problems is associated with the factors of distance and accessibility. Even as the crow flies, the Yellowknife gold-mining centre is more than 600 miles north of Edmonton, and 400 miles north of railhead at Waterways, Alberta. The Eldorado mine at Port Radium on Great Bear Lake is hardly more than 25 miles from the Arctic Circle. The uranium concentrates are shipped out to Port Hope, Ontario, to be refined - a straightline distance of 2,100 miles - and they do not move in a straight line.

The great stretches of virgin territory separating northern communities from the settled areas naturally pose a considerable transportation problem. During the summer, freight can move along the principal rivers. Since 1948, when the Province of Alberta joined with the Federal Government in building the Mackenzie Highway, there has been an all-weather road link between railhead and Hay River on the south shore of Great Slave Lake. In the Yukon, there is now a similar road between the Alaska Highway at Whitehorse and the mining district of Mayo, 250 miles to the north, and surveys are being made of a prospective road between Mayo and historic Dawson City. Aircraft are continuing to hold an important place in northern transportation.

Reduced to terms of cost, the problems I have mentioned lay a special burden on northern development. The tempo of

this development is nevertheless very much on the increase - a tribute both to the initiative of our people and to the richness of our northern resources.

Let me mention some of the recent resource developments in the North. I think you will be impressed by their diversity.

In the Northwest Territories, gold was discovered at Yellowknife in 1935 and the first mine came into production in 1938. Now there are four producing mines in the Yellowknife area which in 1950 produced over seven and a half million dollars worth of gold. The mining of pitchblende was begun at Port Radium as far back as 1933. The mine has been Crown operated since 1944. At Pine Point, on the south shore of Great Slave Lake, there are extensive lead-zinc deposits which are now undergoing thorough exploration as the potential site of a really large-scale mining operation. During the past year a total of 1,099 mineral claims were staked in the Pine Point District. An extensive programme of diamond drilling was carried on and it is anticipated that next summer will see further prospect shafts sunk in an effort to explore the possibilities for underground mining of the deposits. At Ferguson Lake, in the Eastern Arctic, a deposit of nickel is being prospected and the copper deposits near Coppermine on the shore of the Arctic are being re-examined. In addition, there are several other definite prospects for base metal developments in the Territories. The search for oil has been expanded in the Northwest Territories. Several companies have applied for petroleum and natural gas permits covering some 6,000,000 acres and it is expected that the coming year will see much more activity in the Territory. Industrial expansion has not been associated solely with mineral wealth. Since 1945 there has been a commercial fishing industry in Great Slave Lake which in the 1950-51 season produced fish, principally whitefish and lake trout, having a marketed value of more than two million dollars. Most of the catch is marketed in the United States.

In the Yukon, the historic creeks in the Dawson area, which half a century ago yielded their gold at the coaxing of primitive hand methods, are now being worked by enormous dredges. At Mayo there is already an important base metal production which seems certain to undergo a marked expansion within the next few years. The water power potential of the Mayo River is being harnessed. Interesting possibilities exist for other mineral developments in the Yukon. In the North, as in many other parts of the country, a great deal of exploration remains to be done before the extent and the ultimate potential of our resources can be judged.

Conclusion

The instances of resources development I have given you constitute only a rough sketch of the advance being made on a spectacularly wide front. Viewed in the perspective of the problems that have been met, Canada's accomplishments bulk even larger. You will notice that I have not spoken this evening about the products of Canada's fields and forests, or about the fish from her waters. They are large subjects in themselves.

Some of these resources may seem to be in regions very remote from Shawinigan Falls and Grand Mere, Quebec. Remote they are in a geographical sense, but they are linked

inseparably with you here because of the singleness of purpose and spirit that is daily becoming more apparent among Canadians everywhere. The spirit of pioneering that has so richly rewarded the people of the valley of the River St. Maurice, is abroad all across our nation.

The story of our resources could not be told were it not for the co-operative efforts of labour and capital -- of private enterprise and governments -- all working together toward a greater future for our country. In the uneasy world in which we are now living, the development of our resources has a special meaning for both Canada and the free world as a whole. In his address before the Canadian Institute of Mining and Metallurgy, just a few weeks ago, Lord -- now Earl -- Alexander reminded Canadians that our wealth brings responsibilities. Let us see that we meet these responsibilities, for our own sake, and for the sake of those peoples associated with us.

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