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YUKON - DEVELOPMENT FOR THE FUTURE

The following are excerpts from a recent address by Mr. Arthur Laing, Minister of Northern Affairs and National Resources, to the Second Northern Resource Conference, Whitehorse, Yukon Territory:

...A source of major concern to the Yukon throughout its history has been the problem of improved access to the outside world. Long before the Alaska Highway was built, the main route to the rest of Canada was via the sea. The Alaska Panhandle has always been viewed as a barrier by Yukon residents; it lies between them and the sea, and this has been a factor in shaping the course of their trade, growing and development. The Panhandle was first effectively bridged by transportation routes at the turn of the century, when prospectors from all over the world rushed into the Klondike in search of gold and personal fortune. A railway was built between Skagway and Whitehorse via the White Pass, one of the easiest mountain passes, and this railway... still continues to render valuable service today. The next permanent route built through the Panhandle was the Haines Road, built by U.S. army engineers during the Second World War; and this is virtually where developments have stopped.

The question of transit across the Alaska Panhandle has attained its greatest prominence during very recent years. The U.S. Battelle Report, prepared for the Alaska International Rail and Highway Commission, proposed that overland routes might be carved into the Canadian interior from the Wrangell-Petersburg area, and also from Juneau. Mining discoveries in Canada behind the Panhandle have led to other enquiries concerning access to the ocean and thence to world markets. Our Alaskan neighbours are vitally interested in the question of

corridors. The Alaska State Legislature, within the past year, passed a resolution concerning the construction of the proposed Skagway-Carcross Road.

ACCESS TO THE SEA

The Canadian Government is interested in the question posed by the problem of access to the sea, from many points of view. You may recall the announcement made by the Prime Minister at about this time last year concerning studies of the access problem....

We learned that the problem of access to the sea is indeed complex. We considered matters such as the physical character of the Panhandle region, resource endowment and potential, settlement and land use, forms which additional access might take, and the many political and legal problems arising out of the existence of the Canada-Alaska boundary. As our work has progressed, it has become increasingly apparent that only a few routes or facilities warranted further attention. There are many possible routes through the Panhandle but for a variety of reasons - economic, geographic, or engineering - many can be ruled out as being impractical without much study. Some, however, are truly deserving of a very close look, and could conceivably become the subjects of joint development by Canada and the United States if the necessary groundwork were laid....

ALASKA HIGHWAY

I shall now leave the many questions concerning access to tide-water and turn to another matter having to do with transportation to and from the Yukon, and the question of the paving of the Alaska Highway. You are all aware that the Federal Government has had this matter under particularly intensive

study during the past year or so. The Department of Public Works has conducted a thorough engineering study and has calculated the probable costs of undertaking the project assuming a number of alternative plans. My Department has had the Stanford Research Institute conduct an economic study and this study is now in our hands....

Eventually, responsibility for maintenance of the Highway will be transferred to the territorial government. It had been our intention to do this by April 1, 1967. This in itself is a major undertaking and, in the context of possible recommendations by a proposed advisory commission affecting the organization of the territorial governmental structure and other suggestions arising from the economic study it seems wise to delay this move for about a year. I have consulted with my colleague, the Minister of Public Works, and he is in full agreement.

POTENTIAL INDUSTRIAL INVESTMENT

The efforts of my Government to improve and expand the economy of the Yukon will not be restricted only to road-building. You have heard, no doubt, that we are in the process of commissioning a feasibility study in connection with the establishment of a smelter in the Pine Point area. We are going to be equally as interested in knowing if the aggressive exploration work now going on in the Vangorda area, produces reserves sufficient to support a smelter. And if we can assist in pushing forward such a major industrial expansion by a similar study I assure you the funds will be found.

Increased investment by industry is certainly welcome, and I hope that there will be no hesitation to increase such investment in the future. There are, however, certain areas where the Government can provide leadership, assistance, guidance, or ideas and in the future, we will not be backward in doing so.

MANY UNTAPPED RESOURCES

The possibility of a smelter is but one project that may require further investigation. Others would be the use of coal and gas for thermal generation in the territory and the development of hydro-electrical energy....

The potential not only for hydro energy in the Yukon but also for supplying fresh water to other regions is tremendous and we have heard something of this during the Conference. Certainly, we must regard water as one of the prime resources of the Yukon - one which I predict in the future will be of equal, if not of greater importance than the mining industry. But, we must make haste with care, or otherwise we may find that this tremendous resource has been irrevocably committed to a series of projects which may not be in the long-term interests of either the Yukon or Canada as a whole....

Any discussion of resources would not be complete if it did not include the subject of our forests. Paralleling the increasing importance of the nation's water supply is the increasing demand upon Canada's forest resource. I have been told by experts in the field that the demand upon Canada's forests for the manufacture of pulp and paper, lumber and plywood

will, within ten years, be doubled and within 30 years will be five and a half times what it is today. These same people tell me that if the forests of the ten provinces are to provide wood in perpetuity they can only support an increased demand of approximately four times today's production.

PROPOSAL FOR NATIONAL PARK

One thing the Yukon does lack is a national park. Even though I recognize there is an apparent conflict of interest between those who would like to conserve wildlife and preserve the wilderness scene and those who want to search for and exploit the mineral wealth of the territory, there surely must be some common meeting ground.

In my experience, there are few activities of man more challenging or interesting than the search for the hidden wealth that lies buried within the earth and I recognize that this search must be wide ranging and as far as possible look into all potential areas. But national parks are resources too. While their primary purpose is conservation, they provide employment and tourism as well - and they don't run out of ore after a few years! We have, at the Conference, heard a great deal about the best ways to utilize the Yukon's natural resources to further the social and economic conditions of the Yukon. In this we have tended to overlook one important aspect of resource development. In an area where, because of the geographic and climatic conditions, some activities are difficult to encourage, I do not think you can afford to overlook one, ever present, that has good merit for the future. I, therefore, recommend to you most sincerely the establishment of a national park in the Yukon and suggest that you might wish to pursue this objective with the same vigour that has been displayed in the organization of the Conference.

NEED FOR CO-OPERATION

Before closing, I should like to talk about the need for closer co-operation between the two levels of government to ensure that, on the one hand, we in Ottawa have an even better understanding of the requirements of the territory and are thereby in a better position to recommend or assist projects that will benefit the region. Equally as important, you who live here will understand some of our problems and not feel that Yukon matters sit forever in the pending basket. I think the ground work for this co-operation which we all seek is being well laid. ...As I think many of you recognize, the administration of mining in the territory is carried out under the direct supervision of the Commissioner and it is only rarely that any matter is referred to me or my staff in Ottawa. There has been one important exception to this up until now, and that is the processing of mineral leases. This was handled in Ottawa but, in accordance with our policy of bringing the administration of such matters as close as possible to the public we serve, the Commissioner has now been authorized to prepare and execute all such leases. This, I am sure, will eliminate some delays and will enable the applicant for a lease, to talk directly to a member of my staff in the Yukon who will be handling the matter....

CONTROL OF HIDES AND LEATHERS

The following statement was made recently in the House of Commons by Mr. Robert H. Winters, Minister of Trade and Commerce:

I wish to inform the House that, under the powers of the Export and Import Permits Act, General Export Permit EX-2 has been amended effective tomorrow, March 24, deleting hides, skins, leather and leather manufactures from the Schedule to the Permit. This has the effect of requiring individual export permits for all such products of foreign origin exported from Canada to all destinations except the United States.

On March 7, the U.S. Department of Commerce announced that shipments of cattle hides, calf and kip skins and bovine leathers destined anywhere in the world except Canada, would require a validated export licence. On March 11, the U.S. Department of Commerce announced that export quotas had been established for cattle hides, calf and kip skins and bovine leathers, "to provide adequate supplies for domestic needs". As Canada was exempt from the control, no quotas were established for exports to this country. However, U.S. exporters are required to certify that exports to Canada are for consumption in Canada.

In trade with the United States, Canada is a net importer of cattle hides. Our tanners rely heavily on U.S. hides, particularly during the winter months when supplies of suitable Canadian hides are at their lowest. It is important to this Canadian industry to have free access to cattle hide supplies from the United States as well as domestic sources. The action taken to require individual export licensing will permit the Government to control possible diversion of United States supplies through Canada to off-shore destinations and is designed to maintain Canadian access to United States supplies.

SAFETY MEASURES FOR ST. LAWRENCE

Plans to establish a permanent traffic-information service along the St. Lawrence Seaway between Montreal and Les Escoumins, Quebec, were announced by Mr. John N. Turner, Minister without Portfolio, at a recent meeting in Montreal called by the Department of Transport to discuss methods of implementing more adequate safety measures for ships using the St. Lawrence Ship Channel.

Mr. Turner, acting on behalf of the Minister of Transport, Mr. J.W. Pickersgill, said that a trial system was in use and that work on developing the permanent phase had been completed. He said he expected the Government to approve the necessary funds in a matter of weeks, which would enable the traffic-information installation to be finished later this summer.

DILIGENT SAFETY SEARCH

Mr. Turner stated that the Department of Transport had been diligently seeking more appropriate safety measures along the St. Lawrence. In 1961, the Marine

Services of the Department had initiated studies of the river and so far these had emphasized water levels which, until recently, had been the main concern. However, questions had also been answered on a number of specific projects, including the Montreal World Exhibition, the Boucherville Tunnel, the Montreal Harbour Development and the St. Sulpice Dam.

Mr. Turner added that studies on enlarging the Channel should be completed by August, and dredging was already under way for widening the Ship Channel.

MINING FLOURISHES

British Columbia's mining industry has established production records in each of the past three years.

Ore concentrating capacity in British Columbia and the Yukon, which doubled in the past five years, will double again by 1970. The present total capacity of 64,000 tons a day will exceed 100,000 tons a day by 1968, and will reach 130,000 tons a day by 1970.

Large-tonnage, low-grade mines with ore reserves in the tens of millions of tons are replacing the traditional small high-grade tunnel mines of the past. This has brought new stability and potential long-term security to the industry. Strong market requirements for base metals will continue to be so in both the short-and long-term future.

These are the main points brought out in the second edition of a report entitled *The Mining Industry of British Columbia and the Yukon*.

The report says that British Columbia and the Yukon are fortunate to lie in one of the world's great mineral belts. An important primary industry for many years, it was only recently that world metal demand and higher prices triggered the present phenomenal growth in the mining industry.

Principal metals being sought are copper and molybdenum, and the greatest new tonnage will be in these. Other metals of importance are silver, lead, zinc, iron and mercury.

INCREASED EXPLORATION

A significant aspect of the current mining boom is the high level of exploration activity. It is estimated that more than \$30 million has been spent on exploration in British Columbia and the Yukon in the past two years. This compares to about \$10 million for the 10-year period from 1951 to 1961.

Diamond drilling reached an estimated total of one million feet in 1965, compared to roughly half that in 1962. Claim-staking reached an all-time high in 1965.

Modern methods of scientific prospecting and the increased use of helicopters are yielding many new mineral discoveries. Some of these are very large deposits, and show prospects of dwarfing even the famous Sullivan mine at Kimberley.

GROWTH RATE TO CONTINUE

The report records close relation between mineral consumption and economic growth. In Europe, North

America, and Japan, unprecedented levels of industrial activity have been attained in the past 15 years. There is every indication that this growth will continue.

As a result, short-term market requirements for base metals are strong, and are likely to remain so. Japan and the United States are the principal markets for B.C. metals.

MANY NEW MINES

In British Columbia and the Yukon, the result of this demand has been spectacular. New mines have come into existence at an unprecedented rate, and capital expenditures approaching \$200 million are committed for the next few years. These include such projects as Granduc (copper), \$85 million; Falconbridge's Wesfob mine (iron), \$25 million; Kennecott's B.C. molybdenum mine, \$20 million; Granby's Granisle mine, (copper), \$12 million; and Western Mines (copper, zinc, silver), \$10 million.

Five new copper mines have come into production since 1960, and eight more are expected in the next five years. Total copper concentrating capacity has reached 18,000 tons a day, and should exceed 40,000 tons a day by 1970.

Molybdenum, the "Cinderella" metal of the British Columbia mining industry, has come from a standing start only three years ago. It is expected that British Columbia will be producing 13 per cent of the world's molybdenum by 1968.

EMPLOYMENT FIGURES

Employment increased by an estimated 32,000, between January and February, to 6,766,000. In the past three years, there has been very little change in employment during this period. The labour force increased by 29,000 to 7,122,000 during the month. Unemployment, at 356,000, was virtually unchanged from January.

Since last spring the labour force has grown rapidly. The rate of increase in the male labour force has been considerably greater than at any time in recent years. The year-over-year increase in the male labour force, averaged over the last three months, was 128,000; the average annual increase for the last ten years was 72,000. The number of women in the labour force averaged 126,000 higher than a year earlier, compared with an average annual increase of 81,000 during the last decade.

Employment in February was estimated at 6,766,000, an increase of 306,000, or 4.7 per cent over the figure for a year earlier; unemployment was down 41,000. The labour force, at 7,122,000, was 265,000, or 3.9 percent higher than the figure for a year earlier.

EMPLOYMENT

The employment advance between January and February was mainly in manufacturing. In all other industries, employment was maintained at about the

same level. The construction industry was very active for the season, reflecting continuing strength to both residential and non-residential construction.

Compared to a year earlier, total employment was up 306,000, or 4.7 per cent. Non-farm employment increased by 350,000, or 5.9 per cent. Service and construction continued to show the largest gains. Farm employment in February was estimated at 469,000, down 44,000 from the figure for February 1965. Employment was noticeably higher than it was a year ago in all regions. The gains ranged from 3.5 per cent in the Prairie region to 7.2 per cent in the Atlantic region.

UNEMPLOYMENT

Unemployment remained virtually unchanged between January and February; changes in the past three years were also relatively small. The February estimate was 41,000, lower than the figure for a year earlier.

Of the total unemployed in February, 300,000 were men and 56,000 were women. Some 276,000, or three-quarters of the total, had been unemployed for less than four months. The remaining 800,000 had been unemployed for four months or more.

Unemployment in February represented 5.0 per cent of the labour force, compared to 5.8 per cent in February 1965, and 7.0 per cent in February 1964. Unemployment rates were lower than the figure for a year ago in all regions. Seasonally adjusted, the February 1966 unemployment rate was 3.5 per cent.

HIGHWAY SAFETY GRANTS

It was announced recently by the Minister of National Health and Welfare, Mr. Allan J. MacEachen, that federal grants of \$40,000 to the Canadian Highway Safety Council and \$25,000 to the Traffic Injury Research Foundation had been approved. The Minister said that the grant to the Canadian Highway Safety Council represented an increase of \$15,000.

"A great deal of time and large sums of money have, in recent years, been directed towards medical research, which have resulted in rapid strides being made in overcoming many diseases once thought incurable," the Minister stated. "In this age of over-increasing mechanization and high-speed travel, the time has come to devote increased attention to the seriousness of highway traffic problems and to the research required to cope with such problems effectively."

Mr. MacEachen said that by providing an increased grant to the Canadian Highway Safety Council and by awarding, for the first time, a grant to assist the work of the Traffic Injury Research Foundation, the Government is tangibly showing its concern about the tragic toll of death and disability resulting each year from needless accidents on Canadian highways.

"It is to be hoped", he added, "that business and industry will follow the Government's lead in providing the necessary financial assistance required by these organizations to further their splendid programmes."