

NOTES FOR POSSIBLE USE
BY THE PRIME MINISTER

185147

NORTHERN DEVELOPMENT

I would like to say something about the progress made in northern development and, in this context, to recall the situation as we found it when we took office in 1957. The outgoing government had, I suggest, no discernible policy for development. They were content to let things drift - to forget about the forty per cent of Canada that makes up the Yukon and the Northwest Territories, and the area almost as large in the northern parts of the provinces. They saw no need to encourage private individuals and companies to build a better future for themselves and for Canada by developing our northern heritage.

I suggest to you that the people of Canada were not satisfied with a government which had so abandoned its responsibilities. Public support for an active northern development policy affords convincing evidence that Canadians have come to appreciate fully the contribution our northland can make to the wealth and strength of this country.

Ever since Confederation, the Conservative Party has been the party of national development. We see the effective occupation of the northland and the use of its resources, as the natural and essential next step in the creation of a greater Canada.

... 2

- 2 -

185148

Unlike our predecessors in office, we set out to do something about it. In the few short years which have elapsed, we are proud of what has already been accomplished.

In 1957, most Canadians were unaware of the potential of the north - or indeed that this country was blessed with a northern heritage at all. Perhaps the most important accomplishment of this government has been to bring to Canadians a realization that we are a northern nation - a country that reaches almost as many miles from north to south as from east to west. Canadians have become aware of their northern heritage because of what the government has done in co-operation with the provinces and private industry, and I would like to quote just a few examples.

Roads to Resources and
Development Roads

It was clear in 1957 that the first essential for northern development, both in the Territories and in the northern parts of the provinces, was roads. We set out to see that they were built. I can well remember how our policy was derided by our opponents. What has happened? South of the 60th parallel, the program to build "Roads to Resources" in co-operation with the provinces is now in its fifth year. When completed, this program will result in the construction of 4,500 miles of development roads to reach riches which have hitherto been unused, or not fully used.

... 3

185149

- 3 -

Already, twenty-two hundred miles of road have been completed, and another seven hundred miles are under construction. The value of contracts let to date is more than \$124 million. Across this country, new roads are carrying wealth to and from areas previously overlooked.

North of the 60th parallel in the Yukon and Northwest Territories, we have undertaken a similar program designed to open new reaches of country to prospecting and mining development. The government has improved what all-weather roads there were in 1957, and has extended them into areas of high mining potential. This policy is supplemented by a program to assist individual companies in the construction of minimum standard roads required for the preliminary development of promising properties. The provision of improved transport is one of the important factors explaining the current expansion of prospecting activity and mine development in the Territories, typified by the fact that twice as many mineral claims were staked in 1962 as in the previous year.

Great Slave Lake Railway

It has been obvious for many years that the extension of railhead to Great Slave Lake is essential to permit the full development of the resources of the Mackenzie Basin. Typically, those who did nothing about it for twenty years criticized the

... 4

185150

- 4 -

government for taking the time to secure the information necessary to make an informed decision on the best route. It is enough to say that the construction is now well under way; seventy miles were completed in 1962 and the new line will be pressed to completion.

The new 438-mile railway will bring into production in the Northwest Territories a major mineral deposit which will supply concentrates for processing in Canada. Initially, this mine is expected to increase the gross national product by \$25 million a year. Investment by the government will stimulate very substantial and productive private investment. It will result in a new town in a part of our country where there are very few towns. Perhaps most important in the long run, it will bring the head of steel to Great Slave Lake, 300 miles closer to resources which lie waiting for development.

Oil and Gas

Everyone knows of the growth in northern oil and gas exploration which has occurred since this government took office.

The total area now being surveyed exceeds 115 million acres. Wildcat wells have been taken to greater depths than in previous years and have been scattered across the sedimentary

... 5

185101

- 5 -

areas of the Territories. The distance from Winter Harbour on Melville Island, where the most northerly well was drilled, to Beaver River in the south-east corner of the Yukon, where the most southerly well is now being drilled, is over one thousand miles. Geological and seismic parties have been very active and as the results obtained by these surveys accumulate, the more detailed knowledge of the sediments thus gained will lead to an increasing of exploration activity, particularly the drilling of wildcat wells.

The revised regulations which were put into effect in 1961 have so far proved to be well suited to the job in hand, and have led industry to expand its efforts in the north. It is encouraging to note that, in response to a provision of these regulations whereby a company must be a Canadian corporation and must make its stock available to Canadian citizens before it can acquire oil and gas leases, several oil companies have now established themselves in Canada and will be able to meet these requirements.

The government has shown itself prepared to modify the regulations where appropriate, to reflect increasing experience with oil and gas exploration in the north. The basic policy objectives remain unchanged - to encourage northern development on terms which are fair to private enterprise, and to the people of

... 6

:83152

- 6 -

Canada who own the resources. The last change in the regulations was made earlier this month (March, 1963) to increase permit terms and change work requirements in the Arctic Islands, and to cover the exploitation of oil sands, such as last summer's major discovery on Melville Island.

Sceptics of course there are - not so much in the oil industry, but among those who prophesy doom and gloom at the first whisper of anything new. How often have we heard people say "What good is northern oil, even if you do find it?" - and they go on to talk of isolation and ice and snow and the rich reserves available in the western provinces. Let me simply say this: according to the best predictions that we can make now, if northern oil can be found in sufficient quantities, it can be delivered and sold on world markets at a remunerative price. It will not compete with western oil, which goes to different markets. By 1980, oil exported from the islands and the mainland could increase Canada's exports by several hundreds of millions of dollars.

Mining

The government's policies are also reflected in the re-awakening of interest in the mineral potential of the Territories. In 1960, a total of 3,210 mineral claims were recorded in the Yukon and Northwest Territories. In 1961 the number of claims recorded ___

... 7

was 3,891. In 1962, it was 7004.

In March, 1961, the new Canada Mining Regulations were passed. Incorporated in these Regulations are new concepts in mining lands disposition which are in line with up-to-date methods of exploration and production techniques. The leasing provisions ensure that Canadians have an opportunity to participate in the ownership and development of northern mineral resources.

Later in 1961, the Prospectors' Assistance Program was announced. The response has been gratifying. In the two Territories, 35 prospecting parties qualified for assistance during the first year. There is already evidence that several promising mineral discoveries have been made by prospectors operating under the program.

Exploration work extends from the Yukon to Baffin Island. What appears to be one of the largest iron ore bodies ever uncovered is being investigated on the Northwest Territories - Yukon border. If this discovery proves as rich as present evidence indicates, it may well form the basis for a major industry in the Territory in coming years.

Northern Research

Northern development, now pushing forward towards the Arctic Ocean, is daily facing new problems as well as meeting old problems under more difficult conditions. To solve these problems

... 8

188154

- 8 -

and to plan efficient development, there is a continuous and increasing need for research. Wasted effort follows on too little research, and in the north a particularly heavy penalty is paid for any mistake. For this reason very high priority must be given to research in the north.

The expansion of government scientific activities is already under way. The field parties of the Geological Survey, the weather stations of the Meteorological Service, the ships of the Hydrographic Service, and the scientists of the Polar Continental Shelf Project are collecting the detailed information essential for effective northern operations. A new departure is the establishment of a scientific research station at Inuvik, designed to serve all these agencies.

But government research and surveys alone cannot meet northern needs, nor supply the growing demands for people with scientific training in northern problems. Universities have both a responsibility to the north and an opportunity in the north, but it is not enough just to point out responsibilities and opportunities. Scientists have many opportunities and many responsibilities, while research - like most other activities - is more expensive in the north than elsewhere in Canada. To encourage university research in the north, a fund has been

... 9

185155

- 9 -

established to provide grants to northern institutes and arctic scientific expeditions. When the Inuvik research station is completed, it will welcome scientists from the universities and from industry. It is research - and co-operation in research - between government, universities and industry - that will guide the northern development of the future.

Education

Our attention has not been confined solely to the development of material resources. Services for the people of the north have been given a high priority. We would fail in our responsibility if northern residents were unable to participate in the development of their own part of the country. These people have a tremendous contribution to make, and they can themselves benefit from the new activities in the north. Like northern resources, northern people were overlooked, neglected and forgotten, until very recent years.

Schools are perhaps the most important of all services. In our modern society, those without education have no hope of sharing in the opportunities and benefits which Canada offers to its people. Five years ago, 88 classrooms were being operated by the Canadian government in the Northwest Territories. Facilities were available for only about one-fifth of the Eskimo children

... 10

183756

- 10 -

of school age. This year, there are 311 classrooms - fifteen of them opened this year. More than 2,000 Eskimo children are going to school. We plan to continue this active program until every child in the north has the same opportunity as other Canadians to develop, through education, the talents that he has.

Establishment of new Territories

The success of the government's policy for the development of the resources of northern Canada is illustrated by the steady growth in population and economic activity in this vast area. These developments make it possible to consider changes in the structure of government in the north to more accurately reflect the changing needs of the area and to provide for increased participation by the people in their government.

The Council of the Northwest Territories has devoted extensive study to this question, and the federal government has accepted their recommendations. Briefly, these involve the establishment of two new territories to replace the present Northwest Territories. One new territory, to be called "Mackenzie", will include the Mackenzie Basin and Banks and Victoria Islands. The other will have an Eskimo name - "Nunasiq" - the pleasant land - and will comprise the rest of the present Northwest Territories. Local representation on the Councils of both new Terri-

... 11

- 11 -

385157

terries will be increased.

These changes will bring local government closer to the people of the north. It is surely appropriate, and consistent with the whole pattern of Canadian development, that territorial governments and people should be granted steadily increasing responsibility with the advance of population and economic activity. This is what happened in the old Northwest Territories, before the establishment of the Provinces of Alberta and Saskatchewan, and I look forward to seeing the same steady progress in the present Northwest Territories of Canada.

Government in Partnership

These past three or four years, then, have seen the emergence of the Canadian north as a real part of Canada and its future. This government has provided the leadership and the national development policies to make our northern regions a part of Canada in reality, rather than a distant edge of the map to which was paid bare lip-service. A vigorous national policy was needed if these vast lands, their resources and their people, were not to continue to lie fallow, unaided, undeveloped and unremembered.

But in this great work of national development government activity alone could never be sufficient to achieve the maximum result. It is heartening to those of us who are concerned with

... 12

- 12 -

185158

the north to see the enthusiastic co-operation which our efforts have received from mining companies and other private firms, from universities, and from ordinary citizens who are making their careers in northern Canada. There are many elements in an effective northern development program, and it is through a continuing attitude of active co-operation that the present progress will be maintained and expanded in the future.

Ottawa, March 15, 1963.