

# Canadian Northern Development Minister Says Government-Built Roads Vital to New Industries

The investment of private capital and help from the Canadian government are crucial in developing the resources of the Yukon Territory and the Northwest Territories, Canadian Northern Development Minister Arthur Laing told security analysts in New York

recently.

The Vancouver Province reports that Laing said "The government has given special recognition to the goal of northern development and is determined to make strides in this direction to an extent that was not considered possible about 10 years ago.

"Since that time road building has been expanded because we recognized that the 'first industry in' should not be asked to pay for all the transportation and communication facilities that the community will ultimately require."

As an example, the Pine Point Mines—discovered in 1897—was developed when the government built an \$80 million railway in 1964. In its first 20 months, it had \$55 million profit on sales of \$69 million and repaid its entire capital debt.

Laing said the government is ready to consider more railways and predicted a capital investment of about \$100 million in northern roads during the next several years.

He continued that Canada recognizes the role of private capital as being "crucial to resource development, crucial to northern development and crucial to Canada as a whole..."

He noted that resource developments are often high-risk and based on diminishing assets. "The rewards to capital must take these things into account," he said.

To encourage this development, the Canadian govern-

ment has established an exploration grant program. Forty percent of all exploration costs may be recovered and are repayable only if production results as a result of the discovery.

Laing noted that, two or three years ago, about \$3 million was spent in exploration in the entire Canadian North. Last year, \$6 million was spent in the Yukon alone, and \$7 million is expected to be spent in the NWT alone next year.

Last winter, he said, a large gas discovery was made in the southwestern NWT. It is to be connected to a market by pipeline in two years. The Arctic islands have oil and gas potential that becomes more attractive the farther north you go, he added.

Explaining Canada's goals, he said. "We have today a long narrow strip of economic life never more than a few hundred miles in width.

"If we succeed in our aims we will not only extend our economic life northward by many hundreds of miles. we will also add a new dimension to North America as a whole."