

NORTHERN ALBERTA DEVELOPMENT COUNCIL

PROVINCE OF ALBERTA



Annual Report 1965

COVER:—

*Whitemud Falls on the Clearwater River, 50 miles east of
Fort McMurray, Alberta.*

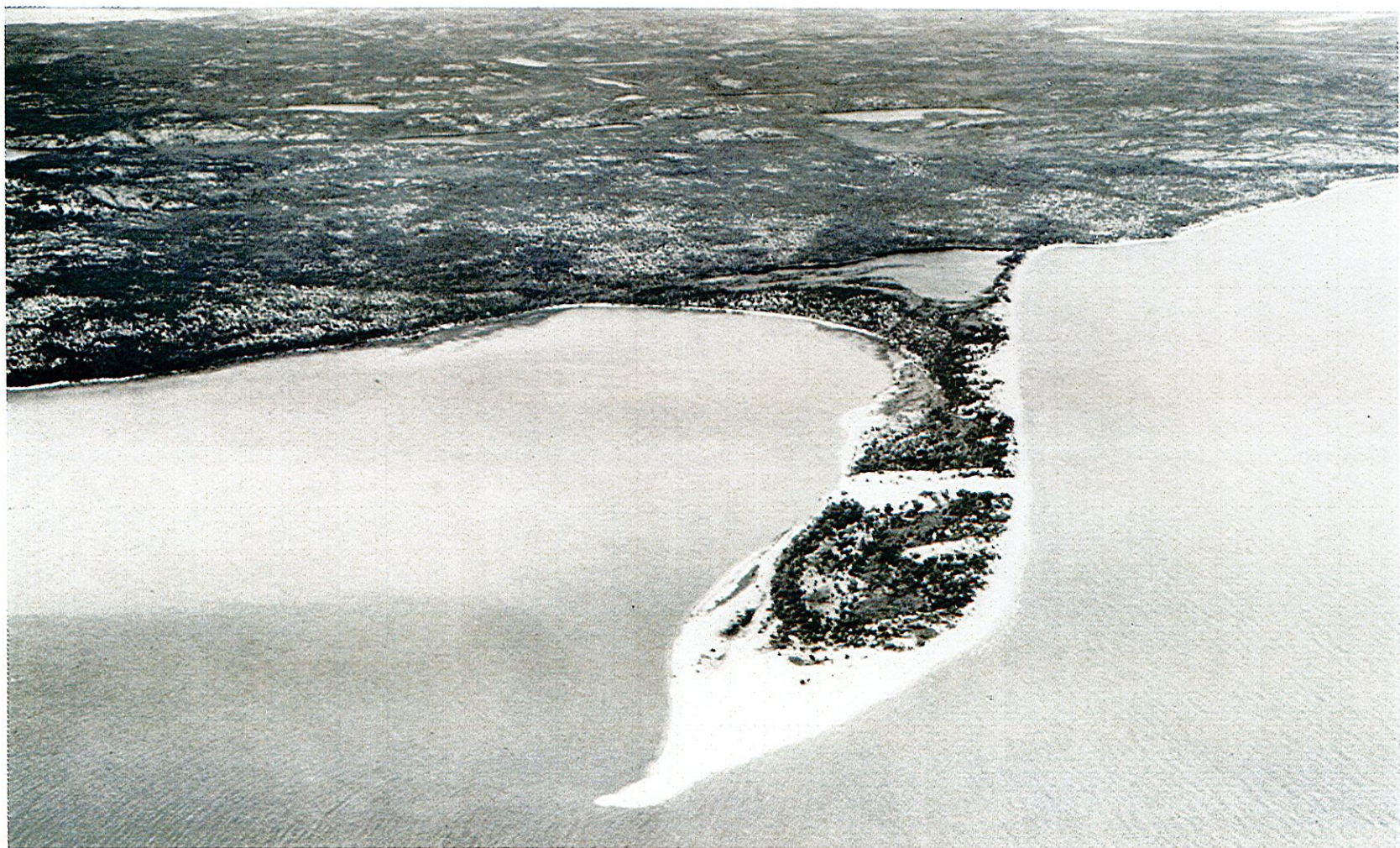
To His Honour,
J. W. Grant MacEwan,
Lieutenant-Governor in Council,
Legislative Building,
Edmonton, Alberta.

May It Please Your Honour:

The undersigned has the honour to transmit herewith the third Annual Report of the Northern Alberta Development Council.

Respectfully submitted,
Honourable Ira McLaughlin
CHAIRMAN

Date: February 15, 1966.



Sand Point on Lake Athabasca

Northern Alberta Development Council

January 1 — December 31, 1965

MEMBERS

Hon. I. McLaughlin	Chairman and Minister without Portfolio
Mr. A. O. Fimrite	Deputy Chairman and MLA for Spirit River Constituency
Mr. J. E. Oberholtzer	Member and Deputy Minister Industry & Development
Mr. R. E. Duncan	Member and Utility Company Manager
Mr. J. Stromstedt	Member and Farmer

OFFICES

Chairman

Hon. I. McLaughlin,
Neil D. MacLean Building,
Grande Prairie, Alberta.

Phones 532-2281
532-2582

Executive Officer

K. H. Easson,
206 Royal Trust Building,
10039 Jasper Avenue,
Edmonton, Alberta.

Phones 422-0870
422-0718

THE COUNCIL

This year has been most significant for the Province of Alberta and for the Northern Alberta Development Council who have the responsibility of fostering increasing economic and social development in the 129,000 square mile area of the Province north of the 55th Parallel.

It saw the allotment of funds by the Government of the Province of Alberta to the Northern Alberta Development Council to be used by them for development in our northern areas. The majority of these funds were spent in the development of transportation facilities.

It saw a major conference held in the Town of Peace River conducted exclusively on the development of northern Alberta and sponsored jointly by the Peace River Chamber of Commerce and the Northern Alberta Development Council.

It saw the publishing in April of the Economic Report on Certain Industrial and Other Factors Related to the Economy of the Central Peace River District in Alberta prepared by Edmonton business consultant, Mr. R. N. Harvey.

It saw increasing co-operation by Chambers of Commerce, Boards of Trade, Municipal and Civic Governments and Departments of the Provincial Government with the Northern Alberta Development Council to co-ordinate all efforts in the development of our northern areas.

Representatives of the Council attended or were delegates at meetings in Dawson Creek, B.C., Grande Prairie, Edmonton, Berwyn, Peace River, High Level, Fort Vermilion, Fort McMurray, Slave Lake, Rycroft, Dixonville, Beaverlodge, Hythe, Fairview, Worsley, Hines Creek, Valleyview, and Fort Chipewyan. Representatives of the Council travelled extensively throughout all areas of northern Alberta gathering facts and information pertinent to the development of our north.

The Film and Photographic Branch of the Department of Industry & Development were requested to accompany members of the Northern Alberta Development Council compiling a valuable library of pictures of the east side of northern Alberta from Fort McMurray to the 60th Parallel. Members of the Northern Alberta Development Council participated in the opening of the new bridge across the Athabasca River at Fort McMurray and our Chairman, the Honourable I. McLaughlin, officially opened the first homes for people of Indian descent built under the Provincial Community Development Program at Fort McMurray.

AGRICULTURE

Adverse weather, growing conditions, and poor yields have created serious financial problems for many farmers in the Peace River area of northern Alberta this year. This is the third consecutive year in which agriculture has been affected by the variable weather, resulting in spotty crops ranging from excellent to complete failures.

Farmers on the north side of the Peace River were seriously affected by drought situations, resulting in low yields and, in many cases, no yields at all while, on the south side of the Peace River, farmers were suffering from wet weather. While grain farmers were seriously affected by the adverse weather conditions, the yields from fescue crops were somewhat above average with the financial returns being excellent.

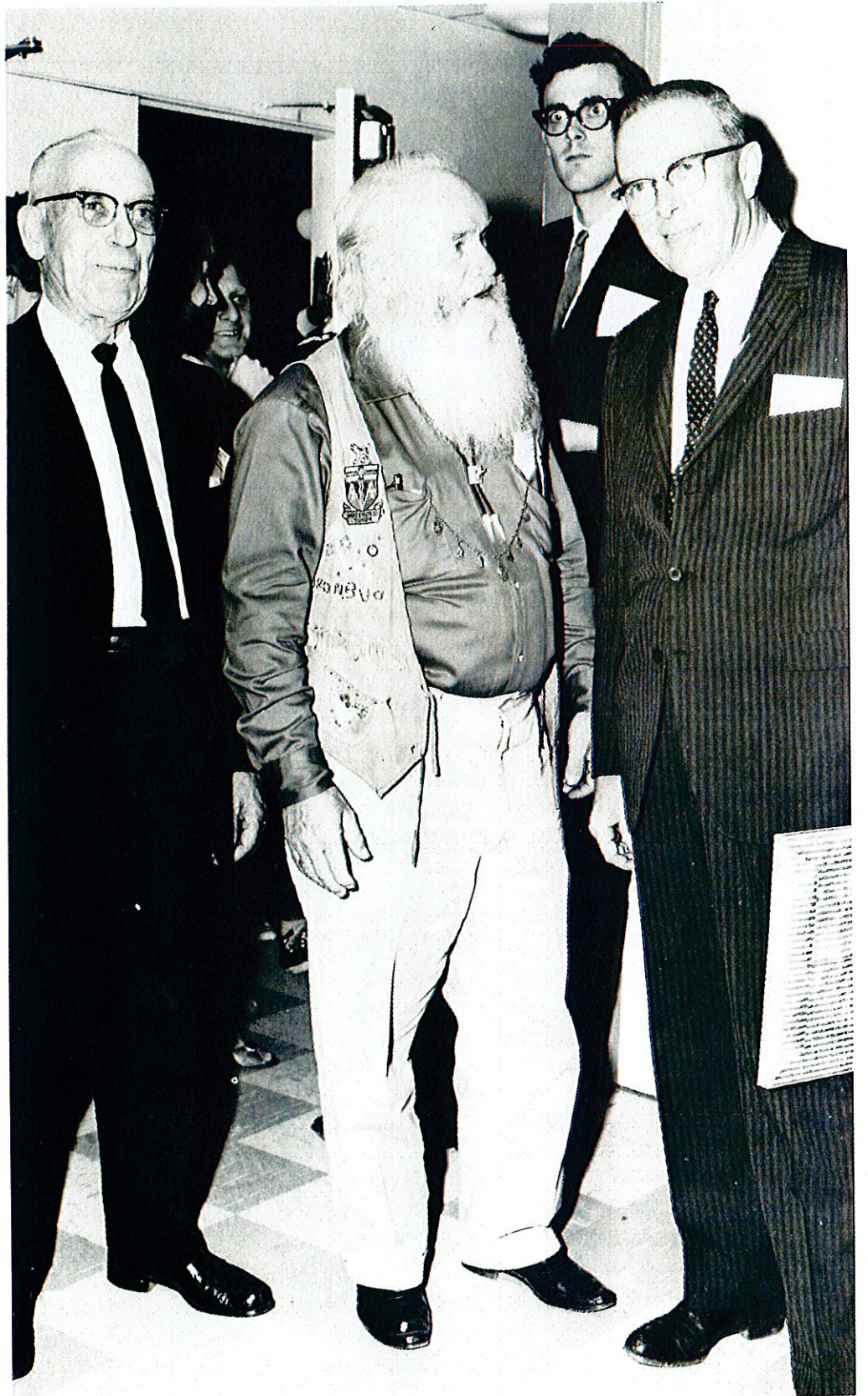
Honey producers also had an above average year, producing between 7 and 7½ million pounds of honey from the approximately 35,000 colonies in northern Alberta. The normal production of honey from the Peace River country is one-third of the entire provincial total, however, during 1965 it is estimated the honey producers from northern Alberta have produced almost one-half of the entire Alberta production with a gross value of approximately \$1,200,000.

The acquisition of crown land in the Peace River area and north continued to hold its appeal for the public with districts attracting the greatest interest from homestead applicants being in the areas around Valleyview, Snipe Lake, Silver Valley, Bonanza, and Doe River, the Hawk Hills district just north of the 57th Parallel, and the La Crete-High Level-Buffalo Hills region between the 58th and 59th Parallel.

The Northern Alberta Development Council have seriously considered the many drainage and flooding problems prevalent throughout the settled areas of the Peace River country and, although realizing that the remedy to these problems is in itself costly, will be requesting funds for this coming fiscal year to implement a planned three to five year water resources program.

INDUSTRIAL DEVELOPMENT

The response to the Economic Report on Alberta's Peace River Country, distributed during the early part of the year, was most gratifying with copies being sent to Alberta Government representatives in Los Angeles, California and London, England; and to Canadian Consulate offices throughout the world. Requests for copies came from many points in Canada, United States of America, United Kingdom, Denmark, Belgium, Germany, Italy and Japan.



Honourable I. McLaughlin and Premier E. C. Manning confer with Yukon Bud Fisher at "Changing Frontier Conference" in Peace River

Copies of this report were distributed to all delegates at the Northern Development Conference held in the Town of Peace River in October and many complimentary letters have been received from across Canada, in most cases requesting copies of any further studies.

Since the publication and distribution of the Economic Report on Alberta's Peace River Country, there has been a large increase in the number of inquiries through our office. These inquiries, coming from all parts of the world, mainly request information on the natural resources of our area, investment opportunities, and further economic studies.

The Northern Alberta Development Council has opened an office in Edmonton under the direction of our Executive Officer and it is expected this will result in a large increase in inquiries and requests for information on northern Alberta.

It has become quite apparent during the latter months of 1965 that the functions of the Northern Alberta Development Council and our office as a source of information are becoming increasingly interesting to industry, Consulates, investment and financial institutions.

The Northern Alberta Development Council has arranged a contract with Mr. R. N. Harvey, Business Consultant of Edmonton to conduct a further economic survey of an area encompassed approximately by the 23rd base line on the south, to the 60th parallel on the north, east to range 7 west of the 5th meridian, and west to the British Columbia boundary. It is planned that this new survey will emphasize the potential for local commercial enterprises including small and medium-sized industries with modern methods, in particular localities and districts, leading to more specific recommendations in connection with the smaller territories and their possible markets and trading area.

It is expected this new survey will be available for distribution in April of 1967.

The Department of Fish & Wildlife were requested to continue the testing program to ascertain the degree of infestation, quality and quantity of fresh-water fish in the Pre-Cambrian Shield area of north-eastern Alberta. The results of this study so far indicate this area of northern Alberta has a definite tourist sports fishing potential. To ascertain our inland fishing potential throughout northern Alberta, the Northern Alberta Development Council submitted a proposal to the Provincial ARDA Committee for a major fish-testing program over a period of three years. This program is estimated to cost approximately \$60,000, of which the Federal Government will pay half, and is a first for any province of the Dominion to attempt.

The Northern Alberta Development Council met with the Legislative Fish Committee, appointed to study problems involving commercial fishing within the Province of Alberta, and also attended public meetings held by this committee at Fort Chipewyan and Valleyview.

Of significance to the northwestern portion of Alberta, was the announcement at the Changing Frontier Conference by Peace River Mining & Smelting Ltd. that they hope to be commencing construction of a large-scale commercial plant for the manufacture of iron powder from the enormous deposits in the Clear Hills region of the Peace River country by the spring of 1967. The economic effect of this project on the Peace River region would be felt immediately, as a large labour and construction force would be required during the initial stages and, upon completion, would employ between 100 and 150 skilled and technical personnel. The proportion of engineers and graduate technicians that would be required for this industry will be high, and it is expected the company will be seeking personnel from throughout the Province.

With the world demand for steel, it is expected this plant will show rapid expansion during the next two decades and will, no doubt, be an attraction for the location of other industries in its proximity. The location of this integrated steel complex in the Peace River country will have an impact equal to or greater than the development of the Great Canadian Oil Sands Ltd. operation near Fort McMurray.

Our Executive Officer attended two Industrial Development Board meetings in Edmonton and Edson. Other conferences attended by members of the Council were the Pacific Northwest Trade Association meetings in Portland, Oregon and Anchorage, Alaska; the Annual Northwest Canadian Trade Fair in Edmonton; the B.C. Resources Conference in Prince George, B.C.

A conference on the industrial future of northern Alberta, jointly sponsored by the Northern Alberta Development Council and the Peace River Chamber of Commerce, was held in the Town of Peace River in October.

This highly successful two-day conference was attended by nearly 300 delegates from Canada and the United States representing a wide range of industries and government. Twelve knowledgeable business leaders from throughout the Dominion discussed, during the two-day conference, the future of northern Alberta's resources in forestry, agriculture, oil and gas, and potential industrial development. Special guest speakers included Mr. R. H. Laidman, President and General Manager, Pacific Western Airlines, Vancouver, B.C.; The

Honourable Premier E. C. Manning, Premier of Alberta; and Mr. L. J. Crampon, Director, Recreational Economics, Stanford Research Institute, South Pasadena, California.

The conference concluded with a summation by Mr. G. C. Hamilton, Commissioner, Planning and Development, City Hall, Edmonton, and by Dr. J. J. Deutsch, Chairman, Economic Council of Canada who stated, "In the last two days (of the conference) I have been absolutely fascinated . . . One reason is that this is a land of tomorrow . . . It has brought back memories which I could find nowhere else. This is truly a frontier . . . something quite unique . . . quite unique in the history of Canada and probably unique in the history of this Continent . . . All (the Frontiers) are in the process of development at the same time . . ."

The complete printed proceedings of this conference are available at a nominal cost from the Peace River Chamber of Commerce, Peace River, Alberta, and a condensed version is enclosed with this report.

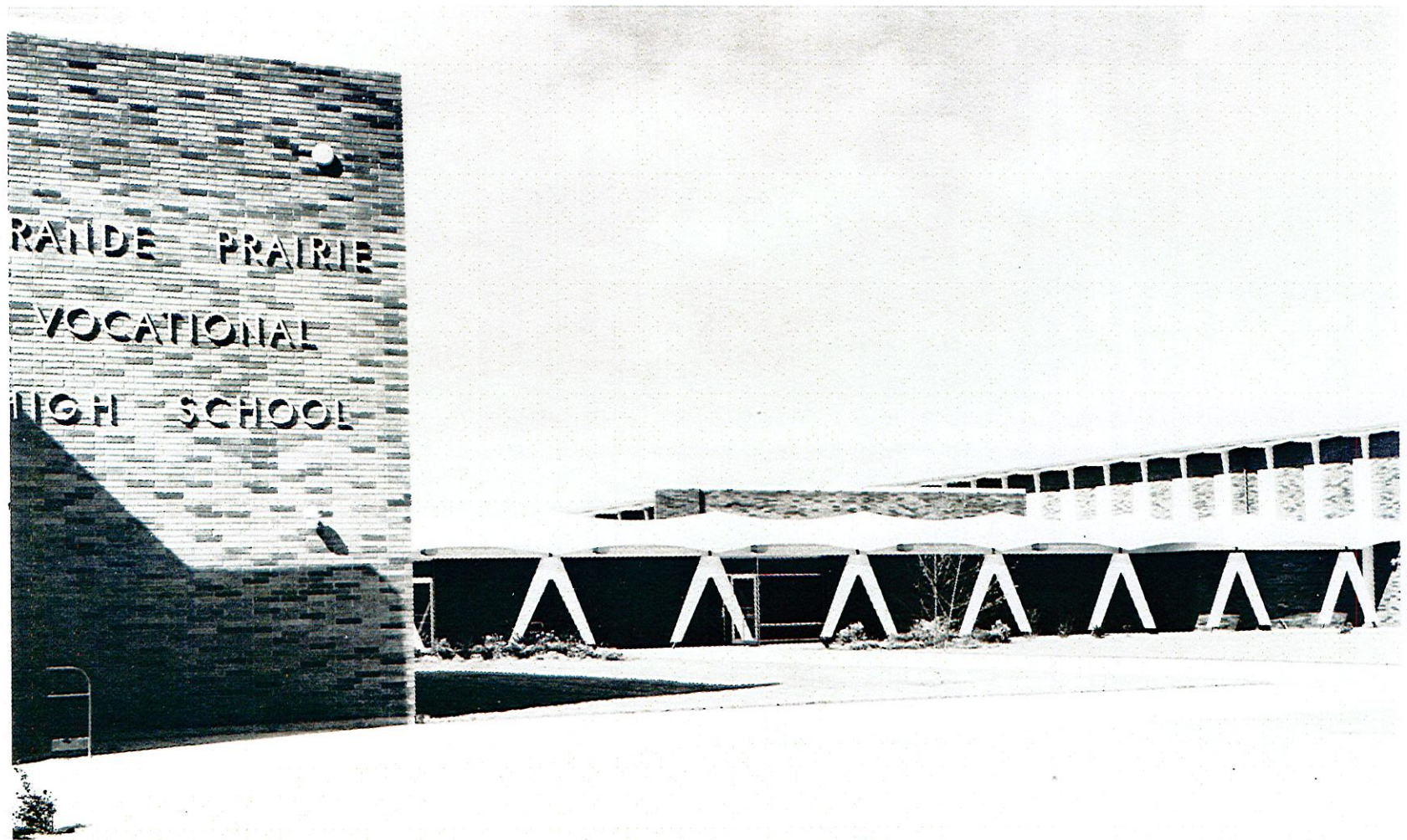
CONSTRUCTION

During 1965 the value of building permits issued throughout northern Alberta, although slightly lower than those of 1964, continued at a favourable pace. Although many new commercial type buildings were under construction during the course of 1965, the construction of residential property during the summer months ebbed as it has done since the inauguration of the \$500 Federal Government Winter Works Bonus.

A comparison of the following table will indicate the value of building permits issued for select centres for the years 1962 to 1965. No attempt has been made to evaluate the construction of the Great Canadian Oil Sands Ltd. extraction plant at Tar Island north of Fort McMurray, as this would present an unrealistic figure of the average construction in northern Alberta during the course of the year.

BUILDING PERMITS ISSUED 1962 - 1965 (Millions of Dollars)

	1962	1963	1964	1965
Grande Prairie	4.40	3.90	2.90	3.10
Peace River	1.10	1.50	2.10	1.50
Fort McMurray	.20	.20	2.00	2.50
High Level		.30	1.20	.80
High Prairie	1.00	.30	.65	.20
Valleyview	.40	.80	.80	1.10
Fairview	.30	.30	.70	.40
Slave Lake			.60	1.50
Manning		.50	.65	.25
Spirit River	.15	.22	.36	.30



Grande Prairie Vocational High School

POPULATION

In view of the large numbers of transient workers presently in northern Alberta, it is difficult to ascertain the exact population as of the end of 1965. However, it is estimated to be approaching 100,000 persons and indications are we shall see a rapid increase during the next decade.

The population has risen dramatically at Fort McMurray and Slave Lake. Both communities, at this time, being dependent on oil for their major expansions. The Rainbow Lake area of northwestern Alberta, has at present a large number of transient workers, however, it remains to be seen whether a permanent community in this area will be established or not.

The growth of communities in northern Alberta during 1965 can be seen from the following comparison:

Centre	Population				
	1956	1961	1963	1964	1965
Grande Prairie	6302	8352	9707	10708	11129
Peace River	2034	2543	3209	3318	3924
High Prairie	1743	1756	2305	2400	2410
Valleyview	973	1077	1306	2142	2200 est.
Fairview	1260	1506	1701	1777	1877 est.
Fort McMurray	1110	1186	1186	1700	2400 est.
Grimshaw	904	1095	1428	1515	1515
Slave Lake	315	468	600	1365	2000 est.
Manning	726	896	1148	1189	1201
Spirit River	—	890	1013	1086	1133
High Level	—	105	350	750	753

FORESTRY

The present production of saw timber in northern Alberta of 80,000,000 f.b.m. per annum is well below the gross allowable cut of 476,000,000 f.b.m. per annum, providing an excellent opportunity for further expansion utilizing forest resources.

A most significant advance towards full utilization of the forest resources occurred in Grande Prairie with the opening late in the year of a pulp chip manufacturing plant. This plant was constructed in conjunction with a new centralized saw mill by North Canadian Forest Industries Ltd. and is designed to process into pulp chips all of the slab and edgings which were formerly wasted in the manufacture of lumber. These slabs and edgings, now being recovered, comprise about 30 per cent of the volume of a saw log.

The new saw mill is specially designed for utilization of small logs and for the production of a uniform product, precision-end-trim-studs. The capacity of the saw mill is 75,000 board feet of lumber per

shift together with approximately 100 tons of pulp chips per shift. It is expected that, if a pulp mill is built in northern Alberta, there will be an accelerated trend towards larger centralized saw mills with barking and chipping facilities.

With the exception of one large fire which burned an area of 50,840 acres in the newly formed Footner Lake Forest Division, fire incidents in northern Alberta during this past season have been kept to a minimum.

FIRES AND AREA BURNED BY DIVISION

Division	Number of Fires				Area Burned—Acres			
	1962	1963	1964	1965	1962	1963	1964	1965
Grande Prairie	26	40	13	7	85	120	52	601
Peace River	36	97	38	22	463	5463	3124	871
Slave Lake	27	94	53	52	300	822	963	270
Lac La Biche	11	66	42	23	1156	9884	3327	48
Athabasca			29	24			3702	225
Footner Lake				44				52294
TOTAL	100	297	175	172	2004	16289	11168	54309

TRANSPORTATION FACILITIES

As stated in previous Annual Reports, the Northern Alberta Development Council believes transportation facilities are the major key to unlocking the wealth of resources in northern Alberta.

With the allocation of funds by the Legislative Assembly to the Northern Alberta Development Council in the spring of 1965, the Council requested the Department of Highways to embark on a program of market roads to newly settled areas in northwestern Alberta. The following is a summary of the construction completed to November 30, 1965, on this program.

I.D. 110	1½ miles light grade
I.D. 125	7½ miles graded
I.D. 126	34½ miles graded
I.D. 131	18 miles graded
I.D. 134	33 miles graded and 16 miles culverts and light grade
I.D. 138	30½ miles graded
I.D. 139	36 miles graded and 26 miles gravelled
I.D. 147	34 miles graded
	<hr/>
	193½ miles graded
TOTAL	17½ miles light grade (some just roughed in)
	26 miles gravelled
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With the advent of winter, work on the grading program has essentially ceased for the season, however, construction is still in progress on the Iosegun River bridge, the Goose River bridge approach, and a bridge over the Montagneuse River on the highway west of Hines Creek will be constructed during the winter months. Funds have been made available for a winter works program which will include clearing and gravel hauling to further the highway northwest of Fairview, the stockpiling of gravel for use on local roads graded with Northern Alberta Development funds during 1965, and for use on similar work to be undertaken in 1966.

The Northern Alberta Development Council is pleased with the Department of Highways progress on their program of roads into newly settled areas, the construction of which has had a very definite effect on the homesteader. He can, where these roads have been constructed this past summer, now obtain access to his land providing him with the opportunity to plant and yield a crop, transportation facilities now being available to carry his product to the market. It has also been found that homestead applicants are now filing on land adjacent to these newly constructed market roads, resulting in a more evenly dispersed population.

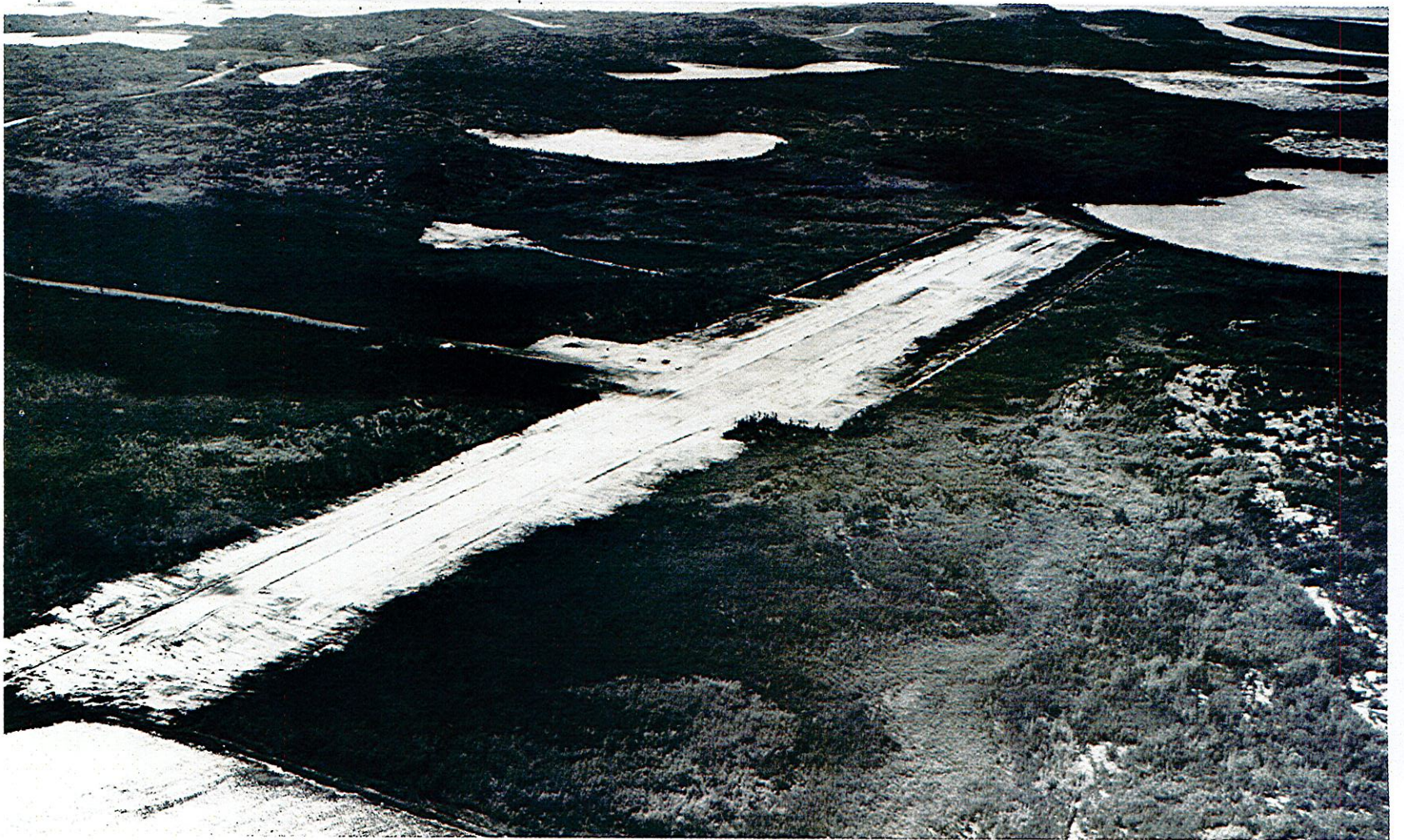
Many areas throughout northern Alberta require similar transportation accesses and it is our intention to continue the construction of market roads into homestead areas until such time as all are provided with suitable facilities.

The Northern Alberta Development Council recognizing the importance and need of a road into the oil rich area of Rainbow Lake, are presently holding discussions with the Department of Highways on which access would be most suitable, from High Level, Keg River, or Meander River.

In the coming fiscal year, in addition to the program of roads to newly settled areas, the Northern Alberta Development Council in conjunction with the Department of Highways, proposes to extend Highway No. 58 further towards Wood Buffalo National Park, continue the construction of the highway west from Fairview to the British Columbia boundary, and initiate a roads to resources program which will provide access to the many natural resources in the northern parts of our Province.

AIRSTRIPS

The Northern Alberta Development Council, since its inception has recognized the need for suitable airstrips capable of serving residents in northern Alberta, especially those in isolated communities.



Fort Chipewyan airstrip under construction

Economic and feasibility studies conducted during 1964 and the early months of 1965 resulted in a decision by the Northern Alberta Development Council to allot funds for the construction of all-weather airstrips at Fort Chipewyan, Slave Lake, Wabasca and Fort Vermilion.

Under the supervision of the Department of Lands & Forests and built to Federal Department of Transport standards, a 5,000' runway, fully operational both day and night, has been completed at Fort Chipewyan and a similar one, 3,600' in length at Slave Lake. Unfortunately, due to inclement weather, land acquisition, and other variables we were unable to proceed with the construction of airstrips at Fort Vermilion and Wabasca this past summer.

Pacific Western Airlines Limited have applied to the Air Transport Board for permission to operate a scheduled service into the Hamlet of Fort Chipewyan and it is expected upon commencement of main line service that the freight and passenger rates will be reduced substantially.

The total cost of the Slave Lake and Fort Chipewyan airstrips is \$610,000.00, and it is expected the Federal Department of Transport will reimburse the Province to the maximum permissible under the terms of their airport construction act.

The Northern Alberta Development Council, realizing the importance of suitable airstrips to these northern communities, plans on continuing the program of airstrip development throughout the northern areas of our province during the summer of 1966.

Our Executive Officer attended the Annual Meeting of the Alberta Aviation Council in Calgary speaking briefly on the work of the Northern Alberta Development Council in the field of aviation.

SOCIAL ASPECTS

In northern Alberta where building costs as a rule are considerably higher than other parts of the Province, the recent announcement by the Government of the Province that higher grants for school building would go into effect before April, is of major importance to our northern residents.

Late in the fall, the Northern Alberta Development Council met with the Board of the Northland School Division, discussing ways and means by which improved education can be offered our northern citizens of Indian descent. Realizing the plight of the poverty level child must be alleviated both at home and at school, the Council believes any additional expenditures involved in providing improved standards will be justified.



Above—Old native housing. Below—New native housing



Of interest to the Northern Alberta Development Council, has been the new adult Vocational School at Fort McMurray. It is hoped this school will ease the chronic shortage of skilled trades required by Great Canadian Oil Sands Ltd. in that area, and if successful, we can visualize similar type vocational schools in other northern areas of our Province, as the resources are developed.

The Community Development Branch established upon the recommendation of the Northern Alberta Development Council, and primarily aimed at providing a service to people of Indian descent whereby they can help themselves, has had its first full year of operation with most gratifying results.

Community Development officers were appointed at Hinton and Wabasca during the year, and with the co-operation of the Alberta Commercial Corporation, housing units for people of Indian descent have been provided at Fort McMurray, Slave Lake, and Hinton. It is expected this coming year will see Community Development officers appointed in several areas, and an expansion in the community housing projects is foreseen.

Of special interest to the Council, has been the formation of Team Products, a business venture to provide supplementary income for people of Indian descent throughout northern Alberta. Team Products, under the supervision of a Board of Directors and Mr. I. Glick of Calling Lake has received \$40,000 as part of a \$101,000 grant over a three year period, jointly provided by the Indian Affairs Branch and the Province of Alberta for administration expenses, the manufacture and sale of artifacts of native design including moosehide moccasins, mitts, beaded jackets, silk work, diamond willow carvings and others. Team Products have to date opened one retail outlet in the City of Edmonton.

The problems encountered in providing health and medical facilities to the residents of widely scattered communities in northern Alberta is of concern to members of the council.

Construction during 1965 of new or enlarged hospital facilities were started or completed in the communities of Valleyview, Fort McMurray, Peace River, McLennan, Fairview, and the City of Grande Prairie.

OIL AND GAS INDUSTRY

The surge in oil and gas exploration in northern Alberta during 1964, which witnessed the first major oil discovery in Alberta since 1959, has increased to major proportions during the year 1965.

It is estimated that over one half of the two hundred and thirty odd drilling rigs in the entire province of Alberta are actively engaged in the search for oil and gas in the northern parts of our Province. Interesting discoveries have been made around the Rainbow-Zama Lake area in the northwest, the Gold Creek area south of Grande Prairie, and the Nipisi-Mitsue fields around Slave Lake have been extended.

The following tables indicate the changing role of northern Alberta in the provincial oil and gas industry.

OIL AND GAS WELLS DRILLED NORTH OF THE 55TH PARALLEL

Year	WILDCAT WELLS				Development Wells Completed	Total Wells Completed
	Oil	Gas	Dry	Total		
1959	1	3	68	72	44	116
1960	1	4	71	76	31	107
1961	—	7	54	61	29	90
1962	1	4	71	76	22	98
1963	8	8	69	85	68	153
1964	20	6	97	123	176	299
1965	41	9	157	207	261	468

ESTIMATED RESERVES OF CRUDE OIL AND GAS NORTH OF THE 55TH PARALLEL

Thousands of Barrels & Billions of Cu. Ft.

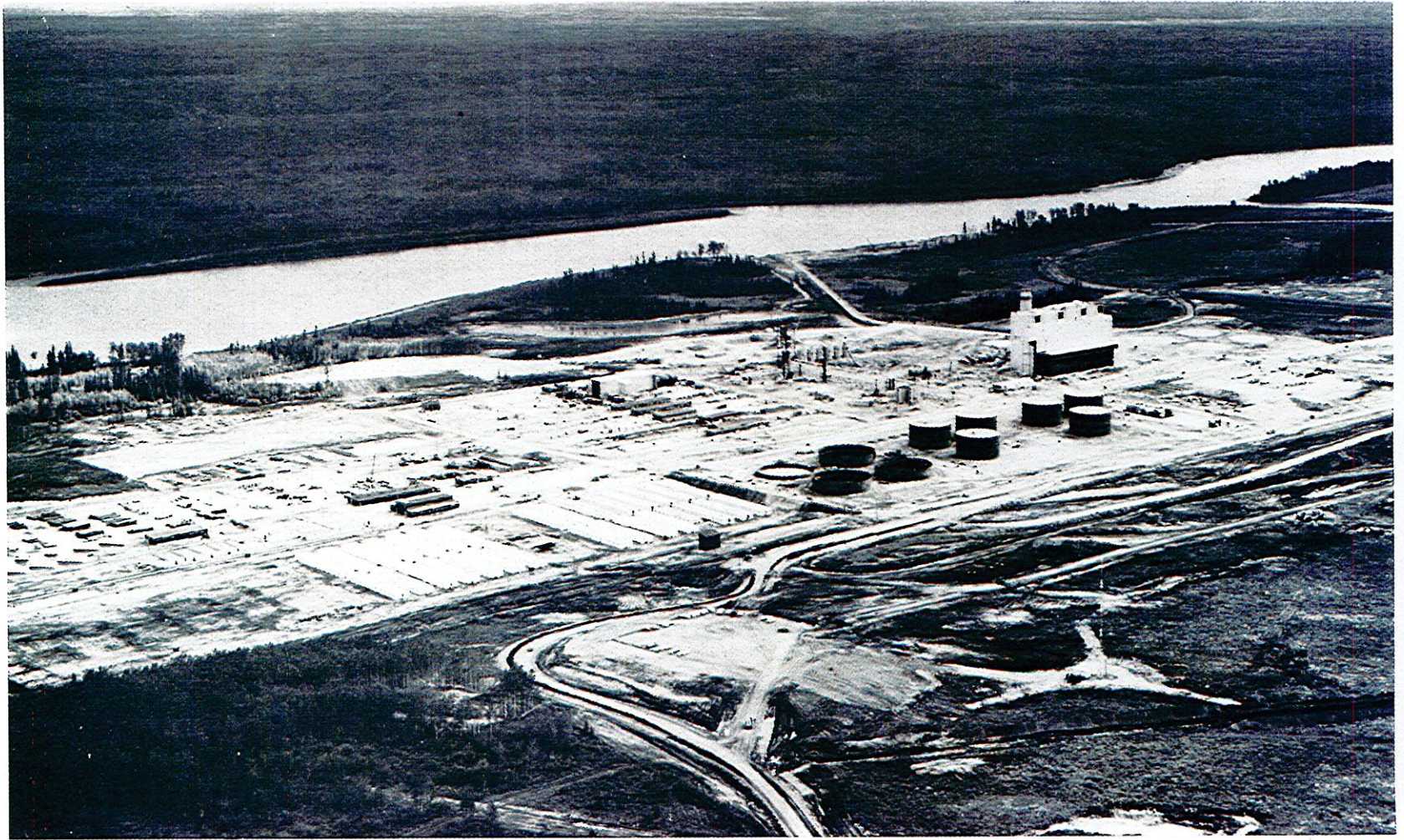
Year	Virgin Recoverable Reserves—Oil	% of Total Province	Virgin Marketable Reserves—Gas	% of Total Province
1959	126,236	3.0	1576.0	5.4
1960	139,580	3.1	1673.0	5.0
1961	152,663	3.2	1783.0	5.3
1962	173,828	3.4	1638.0	4.6
1963	211,910	3.9	1655.0	4.5
1964	342,603	4.5*	2275.0	5.7*
1965	564,012	6.9	2275.0	5.4

* Revised Figures—Oil and Gas Conservation Board.

On the eastern side of northern Alberta more than 200 million dollars will be spent by Great Canadian Oil Sands Ltd. in putting into operation the first large-scale commercial plant to produce oil from the Athabasca tar sands region of Alberta.

Construction started in the fall of 1964 and it is anticipated this plant will be in full operation by the fall of 1967. The impact this major undertaking has had on the economy of the Town of Fort McMurray has been exceedingly strong. The population has doubled with new housing, apartment buildings, motels, hotels, shopping centres, and schools apparent throughout the entire town.

It is now quite evident, in view of recent discoveries, the oil and gas industry will continue its search for "black gold" in northern Alberta for many years to come.



Construction by Great Canadian Oil Sands Ltd. at Tar Island near Fort McMurray