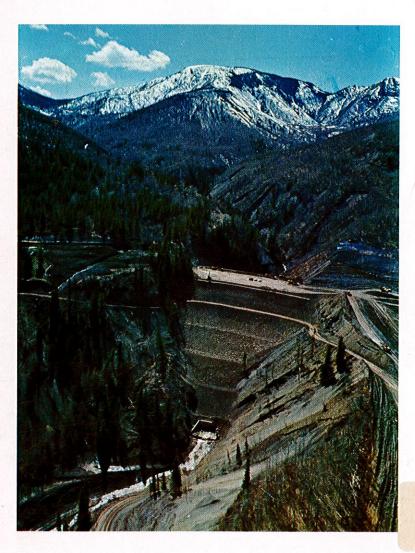
A1.1 DEVELOPMENT

SETHERM

PROVINCE

OF ALBERTA





Annual Report 1967, DEPUTY MINISTER & TOURISM

## **COVER**

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 fifth Annual Report of the Northern Alberta Development Council.

Respectively submitted, Honourable A. O. Fimrite, CHAIRMAN

Date: February 1st, 1968.



Big Berland River Bridge under construction, Alberta Resources Railroad.

#### NORTHERN ALBERTA DEVELOPMENT COUNCIL

## JANUARY 1 - DECEMBER 31, 1967

#### **MEMBERS**

Hon. A. O. Fimrite

Mr. Ira McLaughlin

Mr. R. E. Duncan

Mr. J. Stromstedt

Mr. W. G. Brese

Chairman and Minister without Portfolio

Deputy Chairman and MLA for Grande Prairie

Constituency

Member and Utility Company Manager

Member and Farmer

Member and Director, Industrial Development Branch, Government of the Province

of Alberta

#### Chairman

Hon. A. O. Fimrite213 Legislative BuildingEdmonton, Alberta

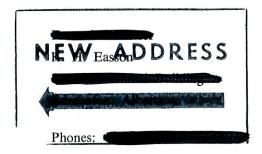
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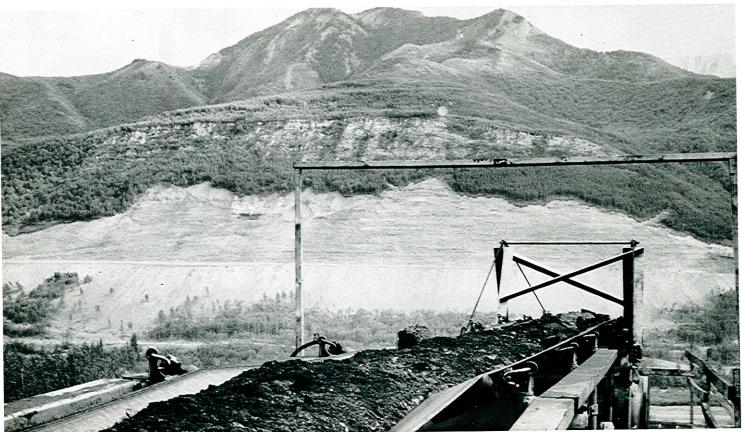
## Deputy Chairman

Mr. I. McLaughlin202 Provincial BuildingGrande Prairie, Alberta

Phone: 532-2281

#### **OFFICES**





Coal from Smoky River deposits.

#### THE COUNCIL

The Northern Alberta Development Council is an advisory group to the Government of the Province having the responsibility of fostering increasing economic and social development in the 129,000 square mile area of the Province north of the 55th parallel.

Formed during the summer of 1963, the Council have been allocating funds to aid in the development of Northern Alberta by the Government of the Province for the past three years.

The majority of these funds, which in the fiscal year 1967-68 amounted to five and one-half million dollars, have been spent in the development of airstrips, roads, health facilities, water control, water distribution, research, and economic studies.

The 1966 Annual Report of the Northern Alberta Development Council stated, "The year 1966 has seen development of our Northern regions advance with great strides, and it is anticipated that 1967 will continue in this manner." Through services provided by the Government; the increasing interest and investment being shown in our resources by industry; development in our Northern region during 1967 has continued its rapid economic pace.

There has been a growing awareness that Northern Alberta is a land of opportunity as is evidenced by the increasing interest in the exploration for oil, the continual demand for agricultural land, the interest in our timber resources, and the ever increasing number of inquiries being received for information on Northern Alberta.

The Edmonton Office of the Northern Alberta Development Council is a focal point for inquiries from all parts of Canada and the world. There appears to be an increasing interest in the opportunities and resources available in Northern Alberta especially from Eastern Canada and Southern United States. The large number of requests for information and studies have made it necessary for us to examine our staff situation and a slight increase may be necessary.

As in previous years, representatives of the Council travelled extensively throughout the North, and to some degree, outside of the Province attending meetings or conferences, providing information on the development and resources of Northern Alberta.

Participation in meetings or conferences include the Alberta Coal Research Board; the Alberta Resources Railroad; the Northern Development Committee of the Edmonton Chamber of Commerce; the Alberta Provincial Soil Survey Committee; the Provincial Industrial Development Board; the Alberta Aviation Council; the Pacific Northwest Trade Association Conferences at Spokane, Washington, and Edmonton, Alberta; the Fourth National Northern Development Conference in Edmonton, Alberta; Northland School Division Conferences and Meetings in Edmonton and Grouard; Oil Appreciation Day at Fort St. John, British Columbia; and the opening of Great Canadian Oil Sands Limited plant at Fort McMurray, Alberta, amongst others.

Council members were key speakers at meetings in Grande Prairie, Peace River, Fort McMurray, Slave Lake, Edmonton, Calgary, Thompson-Manitoba, Vancouver-British Columbia, and other points.

The economic survey of the Northwestern portion of our Province being conducted by Mr. R. N. Harvey, business consultant of Edmonton, has been delayed due to unforeseen circumstances. Completion is expected before the end of the fiscal year and copies will shortly thereafter be available.

Participation in a joint program with the Research Council of Alberta, utility companies, and a railway company, in the search for coal in an area approximately 40 miles south of Grande Prairie continued. Funds to continue the project this coming and final year are expected.

The three-year joint Federal-Provincial Rural Development Agreement for a fishery survey of waters north of the 25th baseline in the Province of Alberta completed its second year. The progress reports so far received indicate little opportunity for commercial fishing but do show the lakes of Northern Alberta to be of interest to the sportsman.

#### **AGRICULTURE**

Although development of our natural resources is creating a greater diversified economy, agriculture and agricultural by-products are and will continue to be the greatest economic factor in the Peace River district for the foreseeable future.

Farmers in this region, due adverse weather and growing conditions, produced less than average yields per acre although the grades attained were generally high. Further north in the Fort Vermilion region excellent yields were attained although difficulty was experienced in harvesting due the variable weather.

The dry summer in the central Peace River region caused problems for the honey producers. This area of the Province normally produces approximately 50% of the entire Provincial total of honey, which is estimated to yield in 1967, 16,700,000 pounds. The Peace River region is expected to yield between seven and seven and one-half million pounds from the 55,000 colonies in that area, with an estimated worth of slightly over \$1,000,000.

The interest in homesteading in the northern area continues to be appealing to the public. The following tables indicate the interest in homesteading for the entire Province, with approximately 80% of the totals shown being in Northern Alberta.

# APPLICATIONS FOR HOMESTEAD SALES AND LEASES TO DECEMBER 31st, 1967

1964	1965	1966	1967
1893	1146	1352	1225

# HOMESTEAD SALES AND LEASES IN EFFECT TO DECEMBER 31st, 1967

1964	1965	1966	1967
7039	6911	*6524	6620

# GROSS AREA OF HOMESTEAD SALES AND LEASES IN EFFECT TO DECEMBER 31st, 1967 (ACRES)

1964	1965	1966	1967
1,807,130	1,809,089	*1,714,606	1,750,967

<sup>\*</sup>Revised.

During the year, in conjunction with the Department of Municipal Affairs and the Department of Agriculture, Water Resources Branch, the program of drainage and flood control inaugurated during the summer of 1965 made excellent progress and all projects with the exception of the Fourth Creek Project in I.D. 134 have been completed. The Fourth Creek Project was commenced in the summer of 1967 and is a two-year program.

Areas where projects were undertaken for the Northern Alberta Development Council during the years 1966-67 and 1967-68 follow:—

1966-	67		% Completed
I.D.	132	North Tangent Project	100%
	134	Ksitvan Flood Control Project	100
	138	Manning — Notikewin Project	100
	139	Eureka River Project	90
	139	Rabbit Creek Project	30
	132	Boreen Flood Control Project	60
	134	Deep Creek Project	30
	132	Coote Lake Project	
1967-	68		% Completed
I.D.	132	Boreen Project	100%
	132	Bouchard Project	100
	132	Rieger Project	100
	132	Morgon Project	100
	120		
	139	Deep Creek Project	100
	139	Deep Creek Project Podruzny Project	100
		Podruzny ProjectFourth Creek Project	100 80
	132	Podruzny Project Fourth Creek Project N. Manning Project	100 80 100
	132 134 138 139	Podruzny Project Fourth Creek Project N. Manning Project Rabbit Creek Project	100 80 100 100
	132 134 138	Podruzny Project Fourth Creek Project N. Manning Project	100 80 100 100

In addition to the foregoing, investigation has been conducted on fourteen (14) other projects with survey and design completed on nine (9) of these.

#### **ECONOMIC DEVELOPMENT**

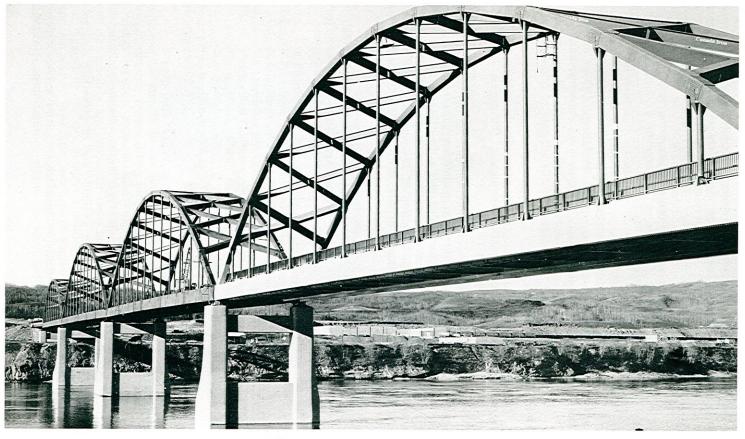
In Alberta we are fortunate that our Northern areas are endowed with substantial assets of known and varied resources; resources which are not that distant from markets, from transportation, and for which there is a growing demand.

Developing this natural wealth of the 129,000 square miles north of the 55th parallel requires the resources of big international corporations, the skills and determination of the hardy homesteader, and the careful planning and direction of government.

It is evident that Alberta's North is in the early stages of an industrial expansion, and the next decade will see considerable economic development. Conservative estimates of capital investment in Northern Alberta by government and private enterprise during the past three years would exceed \$500 million. Northern Alberta is acquiring a diversified economy.

Primarily the petroleum industry and agriculture have provided the stimulant for our economic growth to date. In the future, the development of our iron-ore, timber, agriculture, and other industry, will provide the economic base for population shifts to the North.

The difficulty of bringing into newly developing and outlying areas the necessities for modern living as well as the materials and equipment



Bridge at Peace River under construction.

necessary for developing the material resources, and transporting the production to markets has often been a great deterrent in the timely conversion to a more profitable economy. Improvements in transportation and communication are offering new opportunities for business and development.

Speaking at a conference on Northern Alberta in recent years, Dr. J. J. Deutsch, immediate past Chairman of the Economic Council of Canada, stated, "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."

#### CONSTRUCTION

Northern Alberta's rapidly increasing population is creating a serious shortage of residential accommodation throughout the region and could pose a major problem in the near future.

A comparison of the following table will indicate the value of building permits issued for select centres in recent years. Major construction projects such as the new bridge across the river in the Town of Peace River or the Great Canadian Oil Sands Limited extraction plant near Fort Mc-Murray, have not been included. Inclusion of these projects would present an unrealistic figure of the average construction in Northern Alberta during the course of the year.

## BUILDING PERMITS ISSUED 1962-1967 (Millions of Dollars)

	1962	1963	1964	1965	1966	1967
Grande Prairie	4.40	3.90	2.90	3.10	3.20	2.18
Peace River	1.10	1.50	2.10	1.50	2.20	2.01
Fort McMurray	.20	.20	2.00	2.50	2.37	5.73
High Level		.30	1.20	.80	1.55	1.13
High Prairie	1.00	.30	.65	.20	:85	.60
Valleyview	.40	.80	.80	1.10	.12	.68
Fairview	.30	.30	.70	.40	.60	.85
Slave Lake			.60	1.50	.45	1.17
Manning		.50	.65	.25	.50	.14
Spirit River	.15	.22	.36	.30	.18	.57

#### POPULATION

In considering the potential growth of an area with reference to local, commercial, and industrial enterprises in the various localities and districts, it should be recognized that most businesses are a direct function of the natural and human resources available and of prevailing economic conditions.

There are many important factors which may tend to encourage or discourage investment by either local or outside business men. However,

in the last analysis the market for an enterprise is often provided by the people who live in the place or the area, that is — the local population.

With the rapid development of Northern Alberta's natural resources, new towns and settlements are establishing quickly, making it most difficult to ascertain the exact population north of the 55th parallel.

The 1966 Dominion Bureau of Statistics Census figures, however, indicate the resident population north of the 55th parallel in our Province over 92,500 persons. This is an increase of 15.5% in the five-year period between 1961 to 1966 as compared to the increase for the Province as a whole of 9.8%. Since 1966, the resident population in Northern Alberta has increased percentage-wise at an even greater rate. If transient workers were to be included in the population figures of Northern Alberta the estimate would be close to 105,000 persons for 1967.

#### **FORESTRY**

The increasing population in the United States as well as Canada will require substantial expansion in housing construction, and should under normal circumstances mean continued and increasing markets for lumber from Northern Alberta. The present production of lumber, primarily from coniferous timber, in Northern Alberta is well below the gross allowable cut per annum.

Most operators in the area are planning for substantial increases in their lumber production both this coming year and in following years. It is possible that an increase in production of up to 25% could occur if the upward trend in the present market prevails.

In October of 1967 the Proctor and Gamble Company Limited and McIntyre Porcupine Mines Limited presented summaries of their proposals for the development of a pulp mill in the Grande Prairie area to a public hearing. In December the Government of the Province of Alberta announced that the Proctor and Gamble Company of Cincinnati, Ohio, had been selected to continue negotiations with the Alberta Government regarding the establishment of this pulp mill. If feasibility studies prove sound, engineering work would begin before July 1, 1969, and the mill would be operable by the summer of 1973.

A pulp mill located in the South Peace River district could be of immeasurable benefit to the licensed operators of Northern Alberta. The present distance from existing pulp and paper manufacturers makes it uneconomic for most of our Northern producers to ship wood and chips. The advent of a pulp mill in the Peace River district could change this picture.

A large increase in the number of forest fires reported during 1967 was created by the dry climatic conditions. No large outbreaks resulted, however, and the area burnt was kept to a minimal amount. The preliminary figures provided by the Department of Lands and Forests for 1967 and previous years follow:—

#### FIRES AND AREA BURNED BY DIVISION

		Numb	er of	Fires			Area	Burned-	-Acres	
Division	1963	1964	1965	1966	1967	1963	1964	1965	1966	1967
Grande Prairie	40	13	7	14	48	120	52	601	155	2557
Peace River	97	38	22	45	31	5463	3124	871	3541	535
Slave Lake	. 94	53	52	90	219	822	963	270	1523	3737
Lac La Biche	66	42	23	35	58	9884	3327	48	4538	2228
Athabasca		29	24	11	22		3702	225	6230	183
Footner Lake			44	66	111			52294	52857	3420
TOTALS	. 297	175	172	261	489	16289	11168	54309	68844	12660

### TRANSPORTATION FACILITIES

The Northern Alberta Development Council, since its inception, have recognized that possibly the most vital factor in the development of the Northern area is the provision of adequate transportation facilities.

The expenditure of funds on the construction of accesses has played a major part in the steadily increasing industrial development of our Northland. Possibly, without these transportation accesses, the revenues derived by the Government of Alberta from our Northern areas would be considerably less.

The plan implemented with the Department of Highways in 1965 to provide market roads into homestead areas has been immeasurably successful. Excellent progress has been made and although many areas have yet to be serviced, an examination of the following summary indicates the progress so far made under this program.

1.D.	1965	Miles Gra 1966	ded 1967	Total Miles Graded	Mile 1965	es Grave 1966	lled 1967	Total Miles Gravelled
110	1.5	8.5		10.0				
111		4.75	16.5	21.25				
125	7.5	8.0	3.0	18.5				
126	34.5	70.5	53.5	158.5			16.0	16.0
131	18.0			18.0				
132		5.0		5.0		2.5		2.5
134	49.0	69.0	42.0	160.0		18.5	74.5	93.0
138	30.5	38.5	18	87.0			19.0	19.0
139	36.0	12.0	16	64.0	26.0	20.0	11	57.0
146			5	5				
147	34.0	16.5	21.5	72.0		7.0	19	26.0
Totals	211.0	232.75	175.5	619.25	26.0	48.0	139.5	213.5

The construction of a highway from High Level into the oil-rich area of Rainbow Lake by the Department of Highways with funds supplied by the Northern Alberta Development Council was continued this past summer. Adverse weather conditions, however, delayed construction and little progress was made.

Funds were supplied the Department of Highways for the continuation of the highway west to the British Columbia boundary from Fairview and for a road parallel to the Alberta Resources Railroad. Approximately 20 miles of main highway construction utilizing Northern Alberta Development Council funds were built by the Department of Highways in 1967.

Continued was the resources road from Fort Vermilion southeast to the vicinity of Sennex Creek. This road, being built by the Construction Section of the Department of Lands and Forests in a project funded by the Northern Alberta Development Council is intended to serve three main functions;—

- (1) To make accessible large timber reserves.
- (2) To assist in oil and mineral exploration.
- (3) To provide a forest protection access road.

Adverse weather conditions in the area delayed progress this past summer and it is hoped to continue construction this coming year.

The Northern Alberta Development Council is watching with interest the developments which will take place through the construction of the Alberta Resources Railroad from Brule to Grande Prairie. This line could perhaps, in future, handle livestock, grain, coal, timber, gypsum, oil, ore, and other minerals yet to be uncovered. Enthusiasm is high and has interested industries as far away as Japan.

This project, upon completion, will rate as one of the toughest lines to be built since the Transcontinental Rail Link through the Rockies was made. However, excellent progress is being accomplished and the railroad is expected to reach Grande Prairie by late fall of 1968.

#### **AIRSTRIPS**

It is not feasible to provide access to many of Northern Alberta's isolated communities other than by the construction of airstrips.

The program of airstrip development initiated and funded by the Northern Alberta Development Council and implemented by the Department of Lands and Forests, has been greatly accepted and appreciated by the residents of our isolated communities. In some instances, joint financial agreements have been made with the Federal Government, Department of Transport, and to date almost \$300,000 in construction costs have been recovered.

In 1965 the Northern Alberta Development Council provided funds for the construction of an all-weather airstrip at Fort Chipewyan, and scheduled mainline service commenced in May, 1966. The following table indicates movements to and from Fort Chipewyan by the scheduled mainline carrier since service commenced.

#### FORT CHIPEWYAN

	Boarding and Deplaning Passengers	Outgoing and Incoming Mail, Express and Freight		
1966 — May to December 1967 — January to November	1404 3206	209,740 pounds 392,485 pounds		
TOTAL	4610	602,225 pounds		

While completely accurate figures cannot be procured, the monetary savings to passengers and shippers, over rates charged previous to the construction of this airstrip, would amount to approximately \$150,000 for this period.

During 1967, funds were supplied by the Northern Alberta Development Council for improvements to Slave Lake, Fort Chipewyan, and Footner Lake airstrips, and one small non-commercial type airstrip was constructed at Atikameg. An agreement was also negotiated with the Federal Government, Department of Transport, for the reconstruction of an all-weather airstrip at Fort Vermilion. In this particular instance, the Department of Transport are supervising the construction and are also the prime financing authority. Due to poor weather conditions, however, work on this project had to be halted but will be completed in 1968.

It is hoped that funds will be supplied for the construction of two small non-commercial airstrips during the coming fiscal year, along with improvements and removal of hazards to already established airfields.

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

## SOCIAL ASPECTS

Contamination of water supplies in many Northern communities is prevalent, and the Council is cognizant of this problem.

During the past fiscal year, funds were supplied the Department of Municipal Affairs to alleviate the contaminated water situation in Fort Vermilion and Fort Chipewyan. Central reservoirs were built in both points, and at Fort Chipewyan a distribution system is under construction. Where possible, cost sharing agreements have been arranged.

It is proposed funds be supplied during the coming fiscal year to continue the efforts to correct the contaminated water supplies of a number of our Northern communities.

In many of our Northern communities dependent upon trapping as their source of income, dogs are of the utmost importance. In our society they are primarily household pets. During the spring of 1967, an outbreak of distemper was reported amongst the dogs at Fort Chipewyan, and prompt action was taken to alleviate what could have been a most serious situation.

Construction during 1967 of new or enlarged hospital and nursing home facilities were started and completed in the communities of Slave Lake,

Fort Vermilion, Beaverlodge, Fairview, High Prairie, and McLennan. It is expected a contract will be let shortly for expansion of the facilities at Manning.

The Community Development Branch of the Department of Industry and Development established upon the recommendation of the Northern Alberta Development Council has continued to expand. During the year 1967, Community Development officers were located, in addition to the previously established points, at the Blackfoot and Saddle Lake reserves, Rocky Mountain House, and Fort Vermilion.

While educational standards and facilities in Northern Alberta continue to advance, much ground has yet to be covered. The following quotation from the Fourth Annual Review of the Economic Council of Canada has bearing on our Northern areas.

"Educational, training, mobility and other manpower facilities are not now adequate to serve effectively those living at some distance from the larger urban centres. In particular, the young men in rural areas continue to receive less formal education than those in urban areas. A larger proportion of them are drawn into the labour force at younger ages, without having a sufficiently strong base of education and training — a base which would contribute to higher productivity and much larger lifetime earnings, whether they were to make their future careers in the primary industries or in other areas of the economy."

The report further goes on to say:—

"While important new initiatives have been taken to facilitate rural adjustments — for example, programmes such as those developed under ARDA — these have not been as effective as they might have been. Better planning procedures are needed in developing appropriate programmes, including more precise specification of programme aims when they are introduced and a more adequate evaluation of potential benefits and costs of various approaches."

#### OIL AND GAS INDUSTRY

Since 1965 interesting discoveries in the Rainbow-Zama and the Bistcho Lake regions of northwestern Alberta have focused the attention of the oil industry on the northwestern portion of our Province.

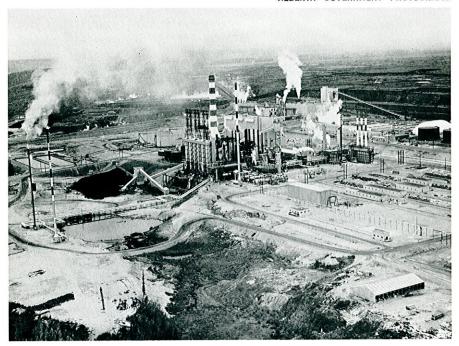
The continuation of oil and gas exploration coupled with the recent discoveries not only provide a major source of revenue to our Province, but must be counted as prominent factors in Canada's oil development enhancing our position as a supplier of energy needs.

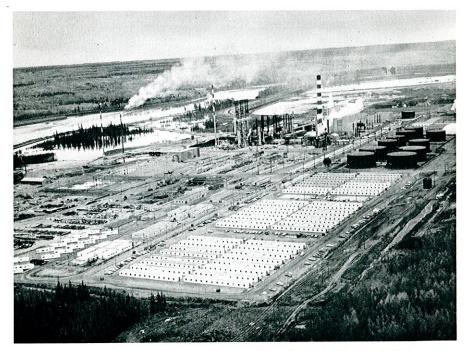
Reports of an elemental sulphur discovery southeast of Fort Vermilion continued to persist. While many permits have been issued raising interest in the area as a source of elemental sulphur, definite information is as yet unavailable.

The following tables indicate the changing role of Northern Alberta in the Provincial oil and gas industry.



Winter drilling in Rainbow Lake Region.





TOP — Processing Plant of Great Canadian Oil Sands Limited—Fort McMurray. BOTTOM — A temporary town of trailer cabins was built at the camp site to house construction workers.

## OIL AND GAS WELLS DRILLED NORTH OF THE 55th PARALLEL

		WILDCA	T WELL	LS.	Development Wells	Total Wells
Year	Oil	Gas	Dry	Total	Completed	Completed
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
1966	 40	7	170	217	260	477
1967	 95	15	198	308	197	505

# ESTIMATED RESERVES OF CRUDE OIL AND GAS NORTH OF THE 55th PARALLEL

(Thousands of Barrels and Billions of Cu. Ft.)										
Year	,	Virgin Recoverable Reserves-Oil	% of Total Province	Virgin Marketable Reserves-Gas	% of Total Province					
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					
1966		1,000,000	11.5	2477.0	5.7					
1967	•••	1,520,000	16.0	3580.0	7.7					

The largest single industrial project ever completed in Alberta has gone into operation, with the opening of the Great Canadian Oil Sands Limited plant north of Fort McMurray.

From the start of construction in 1964 to the on-schedule official opening on September 30, 1967, a total of \$235 million has been invested in the plant, the first of its kind in the world. This includes financing costs and start-up expenses.

It is the first major commercial venture to utilize the vast petroleum resources of the Athabasca sands, long estimated to contain the largest single accumulation of oil in the world, apart from shale oil. The estimated total reserve is more than 600 billion barrels, of which 300 billion barrels are considered ultimately recoverable.

The oil sands underlie an area of 30,000 square miles. The Great Canadian Oil Sands lease covers 6.6 square miles, one-twentieth of one per cent of the total, yet its reserves are sufficient to operate the plant for 30 years at its initial allowable rate of 45,000 barrels per day. On its way to market, the synthetic crude enters a new 266-mile, 16-inch G.C.O.S. pipeline to Edmonton, connecting with the Interprovincial Pipeline.

Everything in the pioneering G.C.O.S. installation is on a giant scale. After the earth "overburden" is scraped away from the surface, the exposed





Fort McMurray has quadrupled in population. Temporary neighborhoods and trailer homes (top) are giving way to modern, attractive subdivisions.

oil sands, 150 feet thick, are mined by two tremendous bucketwheel excavators, 12 storeys high, each weighing 1,700 tons and costing \$3.5 million. The buckets bite out 20 tons of sand with each revolution of the 30-foot wheel, for a total daily production of 108,000 tons.

Sun Oil Company through its Canadian subsidiary, Sun Oil Company Limited, owns 81.8 per cent of Great Canadian. They are committed to purchase 75 per cent of the production, a large portion of which will be refined in their Sarnia refinery. Shell Canada Limited has contracted to purchase the balance of the production.

Over the period of construction about 8,000 people were employed, a peak of 2,300 at one time during 1966.

In operation, there will be about 450 G.C.O.S. employees at the plant and offices, as well as about 250 maintenance personnel employed by Catalytic Construction of Canada Ltd. which has the maintenance contract.

Great Canadian Oil Sands listed 82 major suppliers, those involved in more than \$100,000 expenditures, and of these 43 were Alberta companies. There were 19 from other parts of Canada, 17 from the United States, and 3 from Germany.

The payroll will be approximately \$6,800,000 annually. The total direct impact on the Alberta economy, including payroll, taxes and royalties will be about \$16,000,000 per year.

The impact in Fort McMurray has been dramatic. New schools, stores, churches, hotels and motels have been built. Twice-daily air service from its modern airport to Edmonton has been provided, and an all-weather road built to connect with the provincial highway system. New apartment buildings and new residential subdivisions have been completed to house the thousands of new residents. Population of the new town has increased from 1,200 residents to over 4,500 in three years.