

is maintained when necessary across the ice of Great Slave Lake to Yellowknife. Only 81 miles of the Mackenzie Highway are in the Northwest Territories. The Federal Government paid the full cost of building this stretch, and contributed two-thirds of the cost of the Alberta section. Connecting with the Mackenzie Highway, a 70-mile pioneer road has been built into the base-metals development at Pine Point. The Federal Government paid one-half the cost of this resource road.

Although the highway system in the Canadian North is not yet extensive, much has been learned about road-building under northern conditions that will be valuable when applied to additional construction. Some of the problems that had to be faced and that will be met with again were new in the history of engineering. Never before, for example, had Canadian highway engineers to contend with the problem of laying a road over permafrost, the permanently frozen subsoil of the North. Problems of labour, supply, equipment and climate also assumed novel forms. Thus these roads were an expensive necessity and only by substantial contribution on the part of the Federal Government was it possible to do what has been done. These contributions may be regarded as capital investments. Eventually, when enough of the mineral wealth has been made accessible, the returns will come in at a rate that will make the North far more than self-sufficient. Until that time, the assistance of the Federal Government is both justified and essential.

Hydro-Power.—There is another field, intimately related to the development of the mining industry, in which the Federal Government has provided extensive assistance—hydro-electric power. The construction of hydro-electric power projects is undertaken when a request is made by the mining interests, and usually where there is likelihood of more than one company making use of the output. Through its agency, the Northwest Territories Power Commission, the Government has built two hydro-electric plants. The first, completed in 1948, is on the Snare River about 90 miles from Yellowknife and has a capacity of 8,350 h.p. to service mines and other consumers in the area. The second, which began operating in November 1952, is on the Mayo River in Yukon Territory; it is at present delivering 3,000 h.p. to the lead-zinc-silver mines and communities in the Mayo area. The site of this plant has a capacity of 6,000 h.p. and, although present requirements are being met with the 3,000-h.p. output, future growth of the area has been provided for by the erection of installations capable of realizing the whole potential by simply adding more turbines and generators.

The Secondary Challenge—Furs and Fisheries.—It should not be inferred from the foregoing that the development of the mining industry constitutes the whole economic challenge of Canada's Northland. Though the mining industry will always be the backbone of the Northland's economy, the development of supplementary activities will play an important part. The fur trade and inland fisheries will contribute their share of wealth. To these may be added lumbering, agriculture, reindeer herding and the production of handicrafts. Economists have warned repeatedly of the dire consequences that result from depending on a 'one-crop' economy. Let demand for its product fall off, and the one-industry country or area loses its stability in a very short time. Diversification wherever and whenever possible is always held out as the most desirable state of affairs.

Much of the Canadian Northland's past—and a substantial part of its present—may be defined in terms of furs. For two centuries the fur trade was the sole basis of the northern economy. Although its value relative to mining has now