

As the statement shows, the total estimated cost in most provinces exceeds \$15,000,000, the amount sharable under the agreement, but the federal contribution to each province will remain at \$7,500,000. Private industry shares in the cost of certain roads where construction is of most direct benefit to the company concerned. In any province the program may consist of as many projects as can qualify for inclusion and for which funds are available. In most provinces, the majority of the roads being built under the program are intended for the purpose of opening up regions to primary resource development and exploration. In Prince Edward Island and Nova Scotia, on the other hand, a number of routes have been chosen for their tourist potential.

The *Development Road Program* in the Yukon Territory and the Mackenzie District of the Northwest Territories is distinct from the Roads to Resources Program in that the Federal Government is responsible for construction; in the Roads to Resources Program, the contribution of the Federal Government is wholly financial. Maintenance costs of Roads to Resources are borne by the provinces but northern roads costs are shared by the Federal and Territorial Governments on an 85-15 basis. In the Yukon Territory, approximately 1,300 miles of development roads, constructed at a cost of about \$30,000,000, were in use in 1964-65; in the Northwest Territories and Wood Buffalo National Park, about 750 miles, costing about \$29,000,000, were in use by the end of March 1965.

In late 1965, a new ten-year road-building program in the Yukon and Northwest Territories was announced by the Minister of Northern Affairs and National Resources, calling for an average expenditure of \$10,000,000 a year, an amount double the annual roads investment in the previous ten-year period. This is the first phase of a long-range 20-year roads network program which should bring all potential areas of resource development in the Territories within 200 miles of the nearest permanent road and thus gradually reduce the North's dependence on seasonal transportation for bulk shipments, reduce the cost of holding large inventories and, as the program progresses, bring the cost of living more in line with that in other parts of Canada. In addition, improved access should result in substantial growth of the tourist industry.

An immediate result of the new program is the speed-up of construction now under way on the 165-mile highway from just south of Hay River to Fort Smith. Also forming part of the new program is the 127-mile area development road being constructed from Ross River to Carmacks in Yukon Territory. This road is of special interest to tourists since it will provide a route from Watson Lake on the Alaska Highway to and through Carmacks, Dawson City, and onward to the Alaska border where it will connect with the State of Alaska Highway System.

Under the previous program, the Federal Government offered to build and pay for mine development roads where two or more companies were developing a mineralized region, and to assist with the cost of mine-access roads and tote-trails. Even so, about 10 p.c. of present exploration and development spending by private industry, which is in excess of \$25,000,000 a year, is spent merely on gaining access to properties. The more extensive road network visualized by the new program, combined with increased federal aid for certain types of access roads, will make it possible for private industry to delegate more capital to actual exploration work.

Types of roads and proportion of federal assistance under the new program are as follows:—

*Permanent Access Roads*—to lead from the nearest permanent road to a resource development about to produce; federal assistance may be up to two thirds of the cost but may not exceed 15 p.c. of the capital invested by a company before commercial production or exploitation.

*Communication and Network Roads*—to provide connecting links between the territories, the provinces, and population centres within the territories; construction and 85 p.c. of maintenance costs will be paid by the Federal Government.