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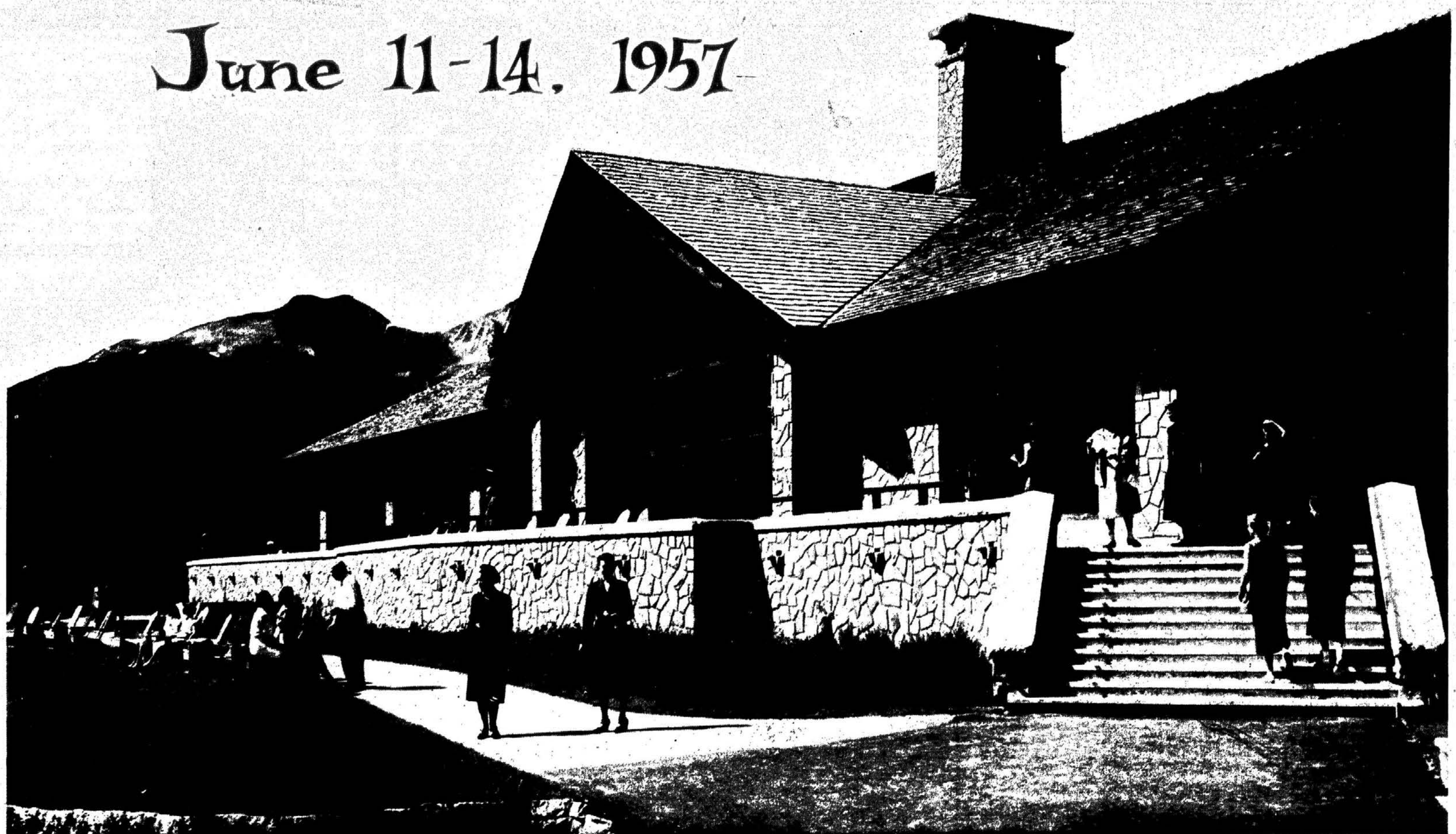

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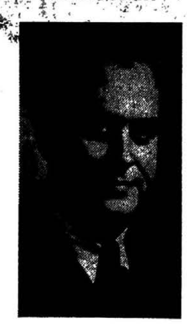

Robert K. Wright
Mills, Spence & Co. Limited, Toronto

The Canadian Capital Markets

By N. H. GUNN*
President, Bell, Gouinlock & Company, Limited, Toronto
Retiring President, The Investment Dealers' Association of Canada

Mr. Gunn notes Canadian economy is on plateau of high-level activity; but with outlook somewhat clouded by rising wage costs, record-high taxes and squeezing of profits. Reports Canadians as enjoying greatest incomes in history, and seeking an ever-higher standard of living. Reports one-third increase in capital flotations during past year, along with gains in municipal financing, with markedly higher interest rates. Discloses institutional investors' switch from governments to higher-yielding issues. Notes Canadian buyers' turning to U. S. market, with enormous inflow of capital both through capital flotations and investments by U. S. parent companies of Canadian subsidiaries.


Nigel H. Gunn

As my year as President draws to a close the Canadian economy seems to be on a plateau of high-level activity with full employment and, despite a few soft spots, with general business well sustained. This plateau could well be a period of consolidation before a move to a still higher level of business activity, but as we look down the road ahead we see a few amber lights glowing. Wage costs are still moving upward. Taxes are at an all-time high. These two classical components of the cost of production are squeezing profits and facing management with a challenge in their responsibility for maintaining earnings at a high level.

From this high plateau let us pause and look back over the road which our industry has traversed during the past year:

The last 12 months have been busy ones for the members of our association. The period has seen intense activity and may well be regarded as one of the most interesting and significant years in the history of Canadian finance. Across the country increased population and industrial expansion are in evidence everywhere. Canadians, enjoying the highest income in our history, seek an ever-higher standard of living.

Capital Needs Increase

Our members were called upon to mobilize tremendous sums of capital for governments and industry. During 1956 new issues of provincial, municipal and corporate securities totalled $2.65 billion, as compared with $1.97 billion in 1955, an increase of over one-third. This volume of market financing, coupled with an insatiable demand for mortgage funds, both residential and commercial, greatly exceeded the increase in bank deposits which from the end of May 1956 until the latest figures available increased by only 4%. Interest rates on government and corporation debentures since we last met at St. Andrews-by-the-Sea have risen about 1 to ½%. Borrowers who were then paying 4 to 4½% for money are finding that now they must offer prospective lenders 5 to 6%.

In 1956 the Government of Canada sold three market issues totalling $650 million. Canada Savings Bonds, Series 11, were sold to an amount of $877 million. Treasury bills outstanding rose by $350 million, but all the six months treasury notes were withdrawn—a total of $500 million. On balance, Government of Canada securities outstanding fell by $780 million in the year ending Dec. 31, 1956.

1956 was an active year in provincial finance with more than twice as much new money being raised as in 1955. Municipal finance ran at about the same rate as 1955, but the first quarter of 1957 was running at a sharply increased pace — over three times that of the first quarter of 1956.

Corporate finance proceeded at an accelerated pace in 1956 with new issue financing rising from about $800 million to nearly $1.5 billion as corporations competed for funds in the capital market. This fast pace continued in the first quarter of 1957 with total financing nearly $100 million ahead of the first quarter of 1956.

Credit Restraint Continues

A year ago we were already in the midst of Central Bank "restraint" and this condition, as you well know, has continued to the present. Government accounts continue to be the principal buyer of long term Government of Canada issues although the combined published holdings of Bank of Canada and Government accounts held steady during the year. Insurance companies, pension funds and other investors were sellers and tended to add to their portfolios other and higher yielding securities.

Very marked has been the change in the relative value of short and long term bonds and debentures. For years short term securities sold at better prices, or lesser yields, than longer terms. During the last year this condition has reversed itself and at existing levels shorter term securities have become almost a drug on the market as those investors with money available try to ensure receiving present high rates for the longest possible term.

Worthy of note is the invasion of the short term money market by trust companies and finance companies both of whom offer attractive returns to those who have substantial sums of money to lend for limited periods of time. Corporation, provincial and municipal treasurers have become very aware of the facilities which now exist for the employment of money for very short periods of time. This development has undoubtedly tended to reduce the floating amount of non-interest bearing deposits in the chartered banking system.

Borrowing in United States

Many Canadian borrowers found it necessary or practical to turn to the U. S. market for all or part of their capital requirements. It is interesting to note that new issues of fixed income securities made in U. S. funds by provincial municipalities and corporations increased by approximately 400% in the calendar year 1956 over 1955. New issues represent only one avenue of foreign investment in Canada, and untold quantities of dollars have been invested in Canada by U. S. parent companies of Canadian subsidiaries. In two fields alone — iron and oil — the totals would be staggering. Foreign investors have been steady buyers of Canadian equities, particularly our natural resource companies. Canada is one of the few remaining havens of investment available and it is only this constant and heavy stream of foreign capital coming across our borders that offsets our trade deficit and has caused our dollar to sell at a consistent premium. The Canadian dollar, now at its highest point in 25 years, has sold during the past 12 months in

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*An address by Mr. Gunn at the 41st Annual Meeting of the Investment Dealers' Association of Canada, Jasper Park Lodge, Jasper, Alberta, June 12, 1957.

Alberta's Contribution to Canada's Growth

By THE HONOURABLE E. C. MANNING*
Premier of Alberta

Premier Manning cites Alberta's great share in country's vitally important development of natural resources with 90% of nation's petroleum development having occurred in Alberta. Notes broad and vital results of petroleum industry development, in eliminating the Provincial debt, paying for all manner of public improvements, and mitigating the nation's trade deficit with the United States. Concludes Canada possesses resources, people, capital, and stability essential to solid economic growth and development.

It is no exaggeration to say that investment dealers are a good barometer of the sentiments of any country. After the Canadian election, some went to their newspapers, some to teletypes, and some to radios to see the reaction of the economy to what was going to be nationally. You investment dealers went to your ticker tapes, and the country has been reassured to see how little disturbance has taken place. At the beginning of the week, Canada woke up with a political headache, and the President of the United States woke up with indigestion and, significantly, the President's indigestion had far more profound effects upon the stock market in the United States than the election had on the economy here. Whether this speaks for the stability of our nation, I leave for you to decide.

Hon. E. C. Manning

Inviting a Competitor of Investment Bankers

It is most kind of you to invite one representing an organization that in one sense has been your competitor for the past four years in this province. As you undoubtedly know, all of our municipal finances and all of our school debentures have been picked up by revolving funds in the municipal treasuries of this province. So, as far as debentures are concerned, we have to regard ourselves as being in competition and, therefore, I think it most kind of you to invite me to your convention. I think we have enjoyed, over the years, a very happy relationship with your members.

There are two obvious reasons for this. Over the years, we have not done very much business with each other. In the old days, we were in a state of economic bankruptcy. Our credit was so bad, you would not do business with us. Now, the reverse is true; we won't do business with you! So, you can understand why we have such a pleasant and happy relationship.

*An address by Premier Manning at the Forty-First Annual Meeting of the Investment Dealers' Association of Canada, Jasper Park Lodge, Jasper, Alberta, June 12, 1957.

Important Role of Dealers

Turning to more serious matters, the importance of investment dealers in the business and economic life of any nation today, I think, is self-evident. Our whole economy in this and other countries has become more complex and inter-related in recent years and, as a result, the counsel of qualified investment dealers to the investor has become a much more serious and difficult matter than in former years.

Today, so many factors are involved. There has been a great and wide variety of investment opportunities in this period of economic growth such as Canada has experienced since the War, and so there has been imposed more responsibility on investment counselors. You must be authorities on so many subjects; you must appraise economic trends; and you must be in constant touch with economic trends. Also, you must be familiar with changes in laws in financial and tax fields which affect the interests and judgment of investments.

Capital Investment Requirements

ern Canada has been the tremen-

But one thing that gives added importance to your work in West-

dous need for investment capital in the field of the development of the nation's resources. We all understand that the development of natural resources is fundamental to the economic growth and development of any nation. To get that development, you must have development capital. In the last number of years—certainly in this area in particular, and true generally across Canada — that matter has become of paramount importance, not only to the investment counselor, but to the welfare and development of the nation as a whole.

A "Phenomenal Reformation"

I know, in Alberta, you realize we have a particular interest in that development. We, in Alberta, have been privileged to enjoy that development, that is having such a significant impact on the national economy of Canada as a whole, to a great degree. In the petroleum industry of this country alone, in the past 10 years out of the $2\frac{1}{4}$ million spent, approximately $2 million has been spent in this province. The reformation has been phenomenal.

Without wearying you with statistics, 10 years ago in the oil industry in Alberta, we had only 600 producing wells producing 10 million barrels a year. Now we have 8,000 wells producing 150 million barrels, and a potential 75 million barrels additional limited only by available markets. Our natural gas picture 10 years ago was insignificant. Today, we have over 1,300 wells capable of production representing over 20 trillion cubic feet of gas, which has become of great importance to all of Canada.

Eased Canada's Trade Deficit Trade With United States

Along with the development of the petroleum industry alone has come all the auxilliary, secondary developments which, of course, has had tremendous impact on the provincial economy and the national economy as a whole. One of Canada's present external programs, as you well know, is the rather serious trade deficit with the United States. Until 10 years ago, petroleum proceeds represented the largest single item of imports from the United States, for which this country had to find U. S. dollars. That situation has been very largely changed by reason of the petroleum development in Western Canada. If it were not for that development, in the light of our present deficit with the United States, how much more serious it would be had it not been for the change that has come about as a result of our resources development in the petroleum field.

Now, all this has meant a great deal to investors, hundreds of thousands of whom have become partners in this great development. It is of great importance to the investor and, presently, of great importance to the citizens—certainly as far as this province is concerned. In the 10-year period since resources development began here, our provincial public treasury has received over $630 million. Now, this figure in itself means little, but its significance becomes clear when you realize it represents over $50 million more than the entire population of this province in the last 10 years have paid in school, hospital, and other taxes combined.

Alberta Debt-Free

This all has occurred as a result of public revenues from this resources development. It has enabled this province to reap innumerable improvements, such as elimination of the provincial debt, which at one time was the highest in Canada. In the field of municipal capital expenditures, as a result of these revenues from resources development, a revolving fund was set up and made possible by such resources development. At the present time, over

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Natural Gas—What It Means to Canada

By D. K. YORATH*
President, Canadian Western Natural Gas Co. Ltd., Calgary, and Northwestern Utilities, Ltd., Edmonton

Mr. Yorath calls attention to the magnitude of the imminent effect of natural gas on the Canadian economy, and on the individual citizen's future. Reports regulatory climate as favorable. With Canada's position in the industry now far behind the U. S., predicts expansion will be comparable to ours over the past 15 to 20 years; with ready community acceptance of the product.

D. K. Yorath

In approaching the subject of this paper it is difficult to know where to start and from what angle—even for someone who has been in the natural gas business all his business life. Perhaps that is a handicap — and someone from the outside looking in could give a clearer picture.

I shall divide my discussion into four sections:

(1) The effect upon Canada in dollars of the now contemplated natural gas industry's capital expenditures.

(2) The market climate for gas and factors affecting it.

(3) Some information on the industry in the United States which I feel can be used as a guide to the Canadian potential; and

(4) A few general observations on the industry itself and the way it operates.

In branching off into fields of this description a crystal ball is needed as there is little past history in Canada that can be of much use as a guide. I have never aspired to the role of a prophet; on the other hand, I have never been known as a pessimist. There have been so many wild estimates and figures produced in articles and speeches in the past few years that I am hesitant to step into that particular arena — but if I am to give you a complete picture I am afraid I have no alternative. I should say though that all of my factual figures have been collected from recognized authorities, such as Governmental Bureaus, the American Gas Association, Canadian Gas Association and others. The guestimates I will give are the result of studies made at my request by our own company engineers and statisticians who have prepared them with their background of years of experience with a natural gas utility that not only distributes, but also produces and transmits many billions of cubic feet of natural gas.

Background Statistics

That is probably where I should start—if you will forgive me—by giving you a few facts concerning my own companies. At least they furnish evidence that the people who prepared the background statistics of this talk should know their subject. Also they will perhaps enable you to visualize better from our companies' experience the potential in the rest of Canada.

I am afraid an analysis of this sort must of necessity be fairly well cluttered with statistics. However, in this instance I do not feel an apology for using figures is required. At any rate, I hope the accompanying chart will make them slightly more palatable than a straight recitation of them. It is a map of Central and Southern Alberta showing our companies' systems—and the proposed route of Alberta Trunk line.

The data in Table I show the growth of our properties over the past 10 years. You will see that in each statistic given the figure for 1956 is considerably more than double the figure at the end of 1947.

In addition to the gas sold by our two companies in 1956, the Conservation Board estimates others sold about 30,000,000 M.C.F. in Alberta. A major portion of the gas not sold by us is sold by companies who sell to industries such as the Sherritt-Gordon Plant at Fort Saskatchewan, the Calgary Power Plant at Wabamun, the Northwest Pulp and Power Company's Plant at Hinton and Canadian Chemical Company east of Edmonton. The balance is sold to citizens and several industries in Medicine Hat and a number of smaller communities scattered throughout the Province.

TABLE I

Canadian Western Natural Gas Company Limited, Calgary
Northwestern Utilities, Limited, Edmonton

	1956	*1552*	*1947*
Customers at year end	138,975	100,883	61,816
Natural gas sales (000's of cu. ft.)	80,879,031	50,548,768	28,699,281
Revenue from sale of gas	$20,554,122	$12,822,063	$6,187,982
Net income	$3,362,043	$1,739,709	$1,123,320
Plant value at Dec. 31, 1947 plus gross additions for 5 & 9 years	$83,813,374	$53,578,916	$23,571,236
Miles of pipeline	3,254	2,230	1,433
Maximum daily demand (000's of cubic feet)	438,927	297,679	152,160
Communities served	93	50	28
Population served	557,000	397,000	261,000

Alberta's Gas Reserves

Before we leave Alberta, I think I should just briefly touch on the Province's gas reserves, though I imagine most of you are familiar with those figures. The total proved recoverable reserves of natural gas as given in the January 1957 report of the Alberta Petroleum and Natural Gas Conservation Board are 18.3 trillion cubic feet. The present total estimated reserves for Canada run slightly over 22 trillion cubic feet with some 3 trillion in Northeastern B. C. and the balance in Saskatchewan, Manitoba and Southwestern Ontario. The Alberta Conservation Board estimates that, assuming a continuation of drilling and of gas discoveries per well, initial disposable reserves of 42 trillion cubic feet can conservatively be expected by 1986, while, from a geological approach, an ultimate total reserve of 75 trillion cubic feet may be forecast for Alberta.

Natural Gas Reserves

Alberta—January 1957	18.3 T.C.F.
Canada	22 T.C.F.
1986	42 T.C.F.
Ultimate	75 T.C.F.
Existing export permits total withdrawal	5.75 T.C.F.
Alberta requirements 1957-86	7.6 T.C.F.

While we are on the subject of reserves I should point out that existing permits issued by the Conservation Board for the export of gas from Alberta total 5.75 trillion cubic feet. In its report of January of this year the Board estimates the reserves needed to meet the requirements of the Province — to assure continued natural gas service to the peoples of Alberta over the 30-year period 1957-86 to be about 7.6 trillion cubic feet.

It is absolutely essential that no additional quantities of natural gas be permitted to be withdrawn from the Province unless the permit is contingent upon the Alberta market having prior call upon that gas if it is needed for Alberta consumption. The Alberta consumer must have that protection. As the major supplier to the natural gas consumers of this Province, this is the stand that my companies will be taking before the Board at any hearing involving requests for new permits to export gas or to hear application for increasing the amounts allowed under existing permits. At the same time I should say that our companies do not expect to buy gas from the producer at bargain basement prices but we are prepared to pay a fair price in line with the market prevailing at the time and having regard to all the factors involved.

Here is where I twirl my crystal ball for the first time. Up until now nearly all the major natural gas reserves have been developed in connection with drilling for oil. I believe that the drilling for natural gas as the main object of discovery will be accelerated beyond the conception of anyone a year ago. If I am correct, and if the gas is there, it is possible the 42 trillion cubic feet of reserves may be established before 1986.

Canada's Potential as Natural Gas Customer

I think we should now take a look at the rest of Canada and its

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*An address by Mr. Yorath at the 41st Annual Meeting of the Investment Dealers' Association of Canada, Jasper Park Lodge, Jasper, Alberta, June 13, 1957.

Recent Economic Trends in British Columbia

By A. E. GRAUER*
President, British Columbia Power Corp., Ltd., Vancouver, B. C.

Mr. Grauer details background and current developments in British Columbia. Maintains rugged terrain embodies both assets and liabilities, with forests having provided the backbone of its prosperity. Notes favored position in field of energy resources, with abundant supply of hydro-electricity and natural gas, and good prospects for oil. Predicts future holding large-scale and diversified investment opportunities; with circle of mutually stimulating factors including beautiful natural resources, abundant energy, temperate climate, strategic location, population growth and industrial development.

A. E. Grauer

The letter of invitation from the Association's President read — "Tell us something about the terrific development in your Province, with particular reference to the steps your company and others have taken to provide extra amounts of power for both private and industrial use. Many of our members will perhaps be in Western Canada for the first time, and will in many cases include a visit to Vancouver and the Island in their itinerary, and it would be appropriate for them to learn of some of the major happenings on the Coast."

Under the circumstances, I think it will be helpful to tell you first something of the background to present developments in British Columbia.

Travel literature frequently refers to British Columbia as "a sea of mountains," an epithet coined by one of the Confederate Fathers, Edward Blake, in his angry opposition to the construction of a railroad between Canada and British Columbia, which was one of the principal terms of union when the Province joined Confederation in 1871.

However, Edward Blake was no farther off base than Daniel Webster when he spoke as follows in the United States Congress about the American far West:

"What do we want with this region of savages and wild beasts, of deserts and shifting sands and whirlwinds of dust, of cactus and prairie dogs? To what use could we ever put these endless mountain ranges? What could we do with the West Coast of 1,000 miles, rockbound, cheerless and uninviting? Improved communications with the West? Me, gentlemen—I for one, will not vote one penny for such an enterprise—the whole western country is not worth it."

The "sea of mountains" soon engendered an optimism of its own. Its supreme example is perhaps found in the case of a miner who was a fervent disciple of G. M. Dawson the pioneer geologist, and who was also an ardent, if not too understanding, reader of Dawson's great report, "The Mineral Wealth of British Columbia." When the time arrived for this miner to pull his last stake, he asked an itinerant clergyman at the diggings to read from the "Good Book." The clergyman chose the Twenty-first Chapter of Revelations and described the New Jerusalem descending from above, its foundations garnished with precious stones, jasper, sapphires, emeralds, topaz and amethyst. "Stop," groaned the miner, "Man, that's not the Bible, that's the Dawson Report."

Three Great Mountain Ranges

The B. C. mountains run in three great ranges roughly parallel to the coast — the Coast Range, the Rocky Mountains, and in between, a third range of which the Columbia Mountains and the Selkirks are the best known.

There are thus, besides innumerable pocket-like valleys, two major valley systems in the Province. Between the Coast Range and the Columbia Mountains lies the vast Interior Plateau or dry belt which runs from close to the United States border to half-way up the length of B. C. It is a semi-arid region varying in altitude from 1,200 to 1,800 feet and covered with mixed grazing and forest lands. Further east, on the other side of the Columbia Mountains, is the narrower Rocky Mountain Trench, extending the length of the Province. Here rise all the major rivers flowing into the Pacific, from Alaska to Southern California, except one, the Colorado.

On the east side of the Rockies, the Peace River region, in the extreme northeast corner of the Province, is part of the Great Plains and comprises about 10% of the area of the Province.

B. C.'s huge area is larger than the combined size of the neighboring Pacific States of Washington, Oregon and California; and about 10% smaller than Ontario, Canada's second largest province.

B. C.'s rugged terrain involves both assets and liabilities. Let us begin with the liabilities. First, only a small proportion of the land area is potentially arable; about 6% compared to about 54% in Alberta and 29% in Ontario. Obviously, agriculture must always remain a relatively small industry.

Second, since these ranges obtrude themselves athwart the lines of east-west communications, land transportation, both in construction and maintenance, is very costly compared to those regions where the scenery is less spectacular. This applies to rail, highway, electric transmission lines and pipelines.

A third disadvantage is that settlement has been very spotty, being restricted to strategic areas along the lines of communications or located near specific resources. Such a settlement pattern means not only high transportation costs but a relatively high per capita cost of government services at all levels.

Metropolitan Vancouver

Fifty-nine percent of B. C.'s 1,400,000 people are located in metropolitan Vancouver and its immediate hinterland, the fertile Fraser Valley running about 80 miles upwards from the mouth of the Fraser River.

The attractions of this Lower Mainland area are of a permanent nature. It possesses one of the greatest harbors of the world in the Port of Vancouver, an all-year-round port, with the fresh-water harbor of New Westminster immediately adjoining. Along with neighboring Vancouver Island, it has the most equable climate in Canada, avoiding the extremes of heat in the summer and of cold in the winter.

It is an outstanding transportation centre by sea, by air, and by land. For instance, it is the terminus of the two Canadian transcontinental railways, it is connected with the three United States transcontinental railways running into Seattle, and it is the terminus of the provincially owned Pacific Great Eastern Railway which, when present construction to Fort St. John in the Peace River is completed in 1958, will be Canada's third longest railway at 790 miles.

"Fuel, power, capital and men," says the Province of Ontario brief to the Royal Commission on Canada's Economic Prospects, "all follow great industries; but industry seeks out areas blessed by nature and history with exceptionally good transportation facilities." Nowhere in Canada does this observation apply with greater relevance than in the Greater Vancouver area.

All of British Columbia is expanding rapidly but these advantages account for the relatively faster growth of the Lower Mainland area than the rest of the Province as measured by percentage of total B. C. population.

Although creating some disabilities, B. C.'s mountain ranges are also largely responsible for the assets upon which her marked prosperity is founded — minerals, ample rainfall, lush forests, abundant hydro resources and important fisheries.

In assessing this huge and diversified area that is British Columbia and in speculating about its future, it is well to keep in mind too how amazingly young B. S. is. It was little more than 150 years ago, in 1793, that Captain George Vancouver explored and mapped a considerable portion of the west coast; and B. C. is only next year marking

Continued on page 11

*An address by Mr. Grauer at the 41st Annual Meeting of the Investment Dealers' Association of Canada, Jasper Park Lodge, Jasper, Alberta, June 11, 1957.

Mr. & Mrs. H. R. Malkin, *Gairdner and Company Limited*, Vancouver; A. E. Grauer, President of *British Columbia Electric Co.*, Vancouver; Mr. & Mrs. L. N. Watt, *Gairdner and Company Limited*, Toronto

Nigel Gunn, *Bell, Gouinlock & Company, Limited*, Toronto; Hon. E. C. Manning, Premier of Alberta, Edmonton, Alta.; A. E. Grauer, *President, British Columbia Electric Co., Limited*, Vancouver; D. K. Yorath, President, *Canadian Western Natural Gas Co.*, Edmonton

Mr. & Mrs. R. H. Dean, *Nesbitt, Thomson and Company, Limited,* Montreal—newly elected president of *Investment Dealers' Association of Canada*

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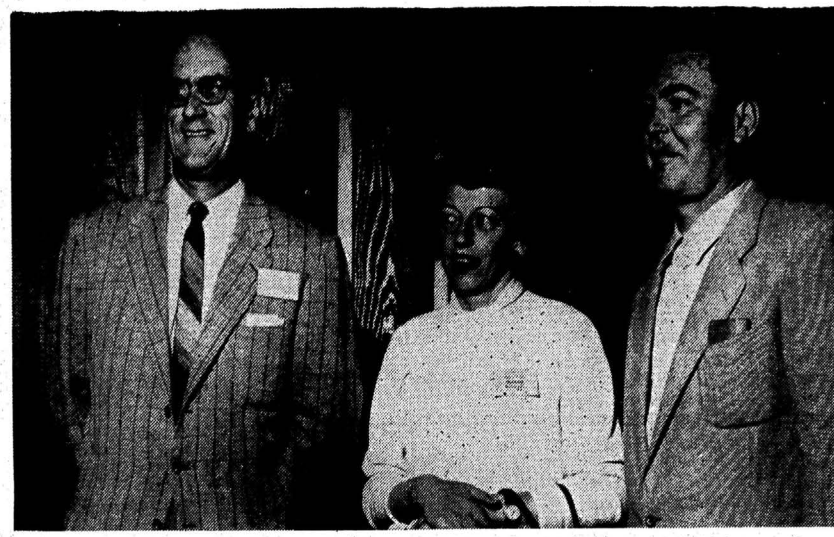

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New York

CLEMENT, HENRI
Clement, Guimont, Inc.
Quebec

COLVEY, DOUGLAS*
Canadian Dow Jones
Montreal

COOPER, W. J.*
Davidson & Company
Toronto

COPITHORNE, C. J.
James, Copithorne & Birch Ltd.
Vancouver

COPUS, DUNCAN S.*
Wood, Gundy & Company Limited
Toronto

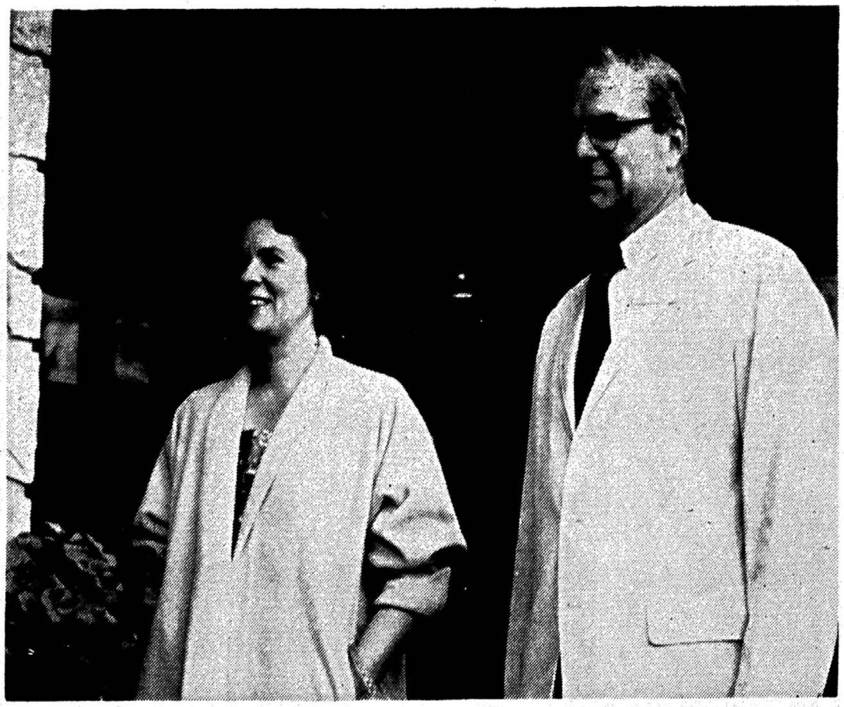
COYNE, BENSON L.
Deacon Findley Coyne Limited
Toronto

CRAFT, ROBERT H.*
Investment Bankers
Washington

CRETZIANU, GEORGE
Greenshields & Co Inc
Montreal

Continued on page 19

*Denotes Mr. and Mrs.



Mr. & Mrs. Dudley Dawson, *Dawson, Hannaford, Ltd.*, Montreal

Arne Fuglestad, *Burns Bros. & Denton, Inc.*, New York; Mrs. J. E. Choat, Winnipeg; Tom Bradbury, *Brawley, Cathers & Company*, Toronto; Mrs. Arne Fuglestad

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Alberta's Contribution To Canada's Growth

76% of this debt is owed to the revolving fund in the provincial treasury. Over 63% of the school fund is owed, with less than 40% owed on the open market. Last year, approximately 53% of the entire revenue of municipal districts of Alberta came to them in the form of grants from the provincial treasury of Alberta. These are what we call "improvement districts," and which are not organized into municipalities. This gives an indication of how economic development in the field of natural resources is of concern, not only to the investor, but to the rank and file of citizens as a whole.

I might add in leaving this subject that in the disbursement of public revenues accruing, we have added to our long list of priorities recognition of the individual citizens of the province as owners of these resources whose development has made all these other things possible. Aside from the financial benefit to the citizens, recognition of the individual as the legal and rightful owner of the resources is important. Such recognition of the fundamental fact that he is the rightful owner will help make him realize his position as an active partner of the investor and in the country's development.

Basis of Solid Economic Growth and Development

In any nation, there are three or four essentials to its solid economic growth and development. You must have resources, you must have people, you must have capital, and you must have conditions favorable to orderly and stable development. In Canada, I believe we have these four essentials. In the midst of those essential units in the process of development, the investment dealer stands as an essential link between the investor, on the one hand, and companies, engineers, and developers on the other hand. You, therefore, occupy that position as the essential link in our way of life, our way of development. Therefore, to me, it is a very great pleasure to extend to you, on behalf of the government and people of Alberta, a most cordial welcome into our midst as you have come to discuss these economic developments.

Mr. & Mrs. Robert Clark, *Calvin Bullock, Ltd.*, New York; Mr. & Mrs. David Gill, *Nesbitt, Thomson and Company, Limited*, Montreal; Henry H. Rath, *Nesbitt, Thomson and Company, Limited*, Montreal

Mr. & Mrs. R. Webster, *James Richardson & Sons*, Vancouver; Mr. & Mrs. Larry Forbes, *Nesbitt, Thomson & Company, Limited*, Ottawa; Des Stoker, *Nesbitt, Thomson & Company, Limited*, Montreal

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Recent Economic Trends In British Columbia

the centenary of the founding of the Crown colony of British Columbia on what is now the Mainland of this Province.

Other Historic Dates

Other important bench marks in B. C.'s history are the following. The discovery of gold in the Cariboo in 1857 brought the first rush of population and emphasized the need for adequate communication to the Interior if British ties were to be maintained. In 1885 the C. P. R. was completed to tidewater, connecting B. C. overland with the rest of Canada. In 1915 the completion of the Panama Canal marked the opening of the Atlantic Seaboard and European markets to waterborne B. C. products; and in the same year, the completion of the C. N. R. to Vancouver opened the northern Prairies to large scale lumber shipments. Finally, participation in the Canadian war effort from 1939 to 1945, and the great post-war boom since, has brought about tremendous economic growth and diversification.

As one might expect, the "terrific development in your province" to which your President referred in his invitation to me, flows directly from the climate, topography and natural resources of B. C.

Forest Resources

Undoubtedly the single most important resource so far has been that of our forests. Seven thousand miles of shoreline on the Pacific Coast, including inlets and offshore islands, with a mild, open climate caused by the Japanese current, and heavy rainfall as the result of moisture laden westerlies hitting the mountain ranges, have meant lush coastal forests in an area ideally suited for waterborne transportation. The result is that the B. C. Pacific slope has the finest softwood timber producing area in the world.

The western slopes of the Selkirks and the Rockies catch a second precipitation from these winds and produce rain forests similar to those on the Coast, the principal commercial species being spruce, hemlock, Douglas fir and cedar.

The Interior Plateau as a whole is covered largely with lodge pole pine as is the southern part of the Rocky Mountain Trench. Further north in the Rocky Mountain Trench large but scattered stands of spruce occur which only now are being fully investigated.

Thirty percent of B. C.'s land area is covered with productive forests, and B. C. cuts about 25% of Canada's timber by volume and accounts for about 7% of its pulpwood and 55% of its lumber production. Is it any wonder that B. C.'s prosperity thus far has had the forests for its backbone.

The post-war trends in the forest industry of tremendous significance to the present and future of B. C. have been, first, the much more efficient use of wood resources including both types of trees and the utilization of the whole tree, and, second, the rise of integrated forest products companies which have added both efficiency and stability to the industry.

A fully integrated forest products company on the coast would have most or all of the following operations, — logging, sawmills, plywood and other building materials, pulp, paper bags and newsprint.

Pulp and Paper Industry

Although lumber is still our most valuable forest product in dollar amount, during the past five years $142 million have been invested in high utilization plants producing pulp, paper, wood and other cellulose products. During the next five years planned expenditure for these purposes exceeds $200 million. The increase in kilowatt hour consumption per employee from about 5,700 annually in 1946 to just under 14,000 in 1955 is an indication of the great strides made by the industry in the use of automatic and semi-automatic equipment.

An illustration of the tremendously increased efficiency of the industry is the fact that approximately 38% of the wood used in B. C.'s pulp and paper mills now comes from logging waste and sawmill waste when 10 years ago none came from this source.

Rivalling the squeal of the hog-packing industry, the forest in-

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Mr. & Mrs. Roy Meredith, *Ringland, Meredith & Co. Ltd.*, Lethbridge, Ont.; Mr. & Mrs. Don McDermid, *McDermid, Miller & McDermid, Ltd.*, Vancouver; Mrs. Alec Reid, Vancouver; Cy Irwin, *Carlile & McCarthy, Ltd.*, Calgary

W. D. R. McLaren, *W. C. Pitfield & Company, Ltd.*, Calgary; Mrs. W. Y. Soper, Montreal; Mrs. E. F. C. Kinnear, Montreal; Mrs. K. S. Langfeldt, Edmonton; E. F. C. Kinnear, *W. C. Pitfield & Company, Ltd.*, Montreal; Mr. & Mrs. A. G. Muir, *W. C. Pitfield & Company, Ltd.*, Vancouver

Continued from page 11

Recent Trends In B. C. Economy

dustry until recently boasted it used "all the log but the bark." Today it uses the bark too.

The Preliminary Report of the Royal Commission on Canada's Economic Prospects, or the Gordon Commission, forecast a doubling of the production of Canadian forest products by 1980. British Columbia will undoubtedly get its share of this marked increase. But in view of the relatively high ratio of actual cut to potential cut on the Pacific Coast, the preponderance of future expansion will take place in the interior of B. C.

The Cordilleras of British Columbia are among the highly mineralized mountains of the globe, and mining, next to foresty, is the Province's leading primary industry.

Top Zinc and Lead Producer

B. C. is the world's top producer in zinc and a major producer of lead. It accounts for half Canada's silver output and a significant proportion of its copper. Almost 90% of our total mineral wealth has been found within 150 miles of the United States border. Better transportation facilities for both prospector and mineral output, as well as relatively favorable geological conditions, have made it inevitable that the southern part of the Province should have been developed first.

The next theatre of large-scale mineral discovery appears to lie in the northwest corner of the Province, in the Stikine River country behind the Alaska panhandle. One of the most elaborate surveys in this century, conducted by the Geological Survey of Canada and about 25 leading mining firms, began here in the summer of 1956. This country, bounded by the Alaska panhandle to the west, the Alaska Highway on the east and the Yukon boundary on the north, occupies some of the wildest and most inaccessible territory on the continent. Finds of asbestos, silver, lead, zinc and gold have been made. The Cassiar high-grade asbestos deposit, which apparently is very large, is in this area and the Provincial Government is building a development road there.

The Stikine River country lies

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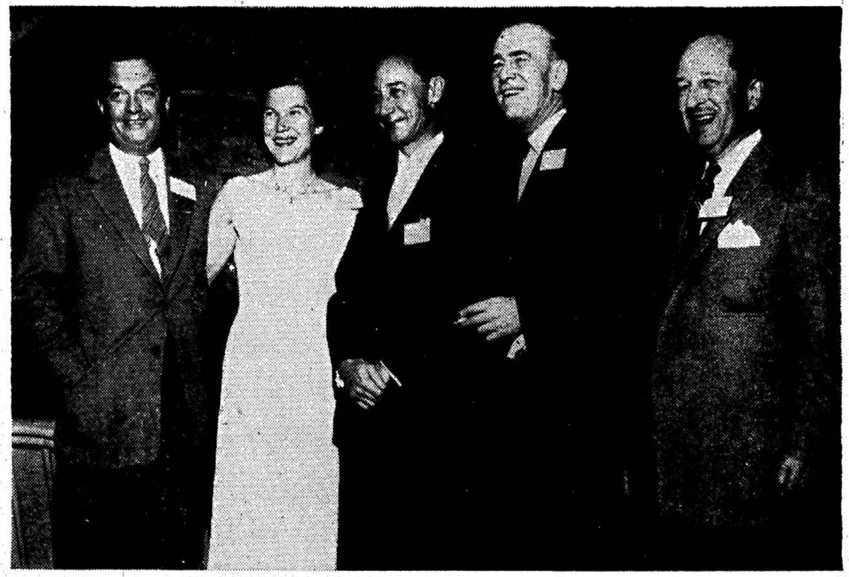
H. C. Howard, *Nesbitt, Thomson & Co., Ltd.*, Montreal; Mr. & Mrs. F. H. Russell, *Nesbitt, Thomson & Co., Ltd.*, Vancouver; P. A. Wootten, *Western City Co.*, Vancouver



Mr. & Mrs. Carman King, *Gairdner and Company Limited*, Toronto; D. K. Yorath, President, *Canadian Western Natural Gas Co.*, Edmonton; A. H. Turney, *Locke, Gray & Co.*, Calgary; Paul Guimont, *Clement, Guimont Inc.*, Quebec City

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Recent Economic Trends In British Columbia

several hundred miles west of the northern section of the Rocky Mountain Trench which received much prominence when the Wenner-Gren arrangement was announced some months ago.

All of B. C., and perhaps particularly this wild northern part, will benefit greatly by the big strides made in airborne prospecting. Considering the large area involved, the geology and the indications already found, there is every reason to expect that there will be important discoveries made in fields such as uranium, iron ore, nickel and rare minerals as well as in the fields of minerals already more commonly found in B. C.

The Gordon Commission's research studies forecast an increase in the total value of mineral production for Canada of from 3½ to 4 times during the next 25 years. It seems certain that British Columbia will participate handsomely in this big growth.

Favorable Energy Sources

Turning to the important field of energy resources, without which no great economic development is possible, British Columbia finds itself in a favored position. It has two of the three most efficient and flexible energy sources in abundant supply, both actual and prospective, within its own borders, namely, hydro electricity and natural gas; with good prospects for the third, oil—which in any case it is getting efficiently by pipeline from neighboring Alberta.

The energy source that will become increasingly important for B. C. in 25 or more years from now—uranium—has not yet been found to any extent but, considering the early stages of prospecting for it, it would be surprising if B. C. did not turn out to have ample endowment in this field too.

B. C.'s proven resources of natural gas and oil centre on the Peace River area which occupies a 34,000 square mile triangle in the extreme northeast corner of the Province and a somewhat larger adjoining area in Alberta.

There are potential oil and gas areas in the Lower Mainland coast ranging up to the Queen Charlotte Islands but these are as yet unproven.

Since 1951, proven gas reserves have grown to figures of astronomical dimensions, and, like the astronomer's conception of the universe, they continue to expand at a dizzy pace. The reserves of the Peace River field are now in excess of 3.3 trillion cubic feet, of which slightly more than half is in British Columbia; and exploration is only now beginning to gain momentum.

Peace River gas is expected to reach the Lower Mainland and American border through the Westcoast Transmission Line by the autumn of this year—and before the end of 1958 44 interior communities and the Lower Mainland will have been served with Peace River natural gas.

The areas served by the B. C. Electric are the only ones now getting natural gas which we started receiving from the south in November of last year. 1957 will therefore be the first full year of natural gas distribution in our Mainland service area.

We will thus get a running start in our consumption of Peace River natural gas when we switch over to it this coming autumn and we expect to take more than 50 million cubic feet a day before 1960. This will be the equivalent of about 817 thousand horsepower, or almost one-third of the pres-

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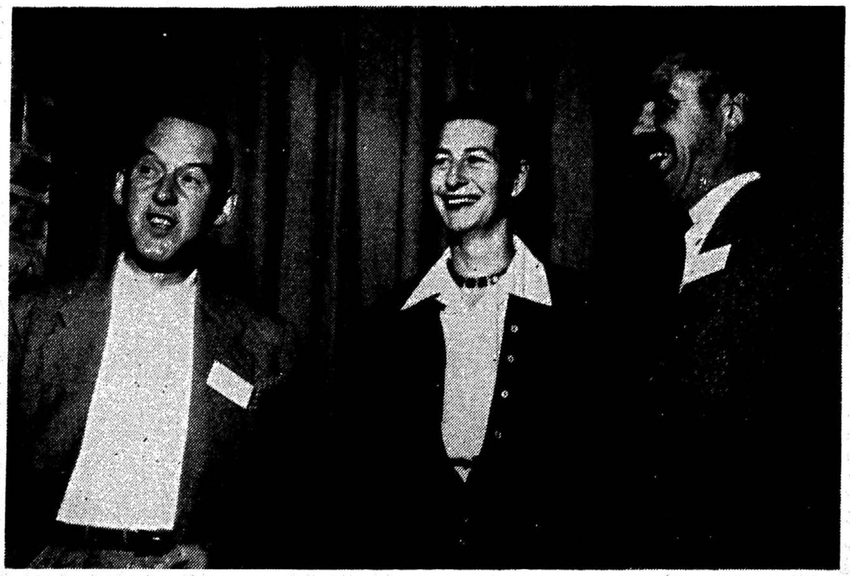

Walter Downes, *Kippen & Company, Inc.*, Montreal; Mr. & Mrs. Malcolm Brown, *Odlum Brown Investments Ltd.*, Vancouver

J. C. Stodgell, *Walwyn, Stodgell & Co., Limited*, Windsor, Ont.; J. H. Davie, *Dominion Securities Corpn., Limited*, Toronto; J. D. Bulgin, *Dominion Securities Corpn., Limited*, Winnipeg

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Recent Economic Trends In British Columbia

ently installed electrical capacity of the whole Province.

We are also working continuously at the problem of supplying Vancouver Island with natural gas and we are optimistic about this proving feasible.

The Preliminary Report of the Gordon Commission forecast a striking rise in Canada's consumption of natural gas and oil over the next 25 years, predicting that by 1980, between two-thirds and three-fourths of a greatly increased total energy figure would be supplied by petroleum and natural gas. It seems apparent that British Columbia will be second only to the Prairie Provinces in its ability to participate in this dramatic development.

Unlimited Hydro-Electric Power

Hydro-electricity is the form of energy in which Canada has historically had great advantages over most other nations. It has been said, "In the same way that the industrial growth of England and Germany was based on coal so hydro-electric power has been fundamental to Canada's development.

British Columbia's abundant rainfall and rugged topography have endowed the Province with enormous resources of water power, a relatively small proportion of which has yet been harnessed. This is a fact of great significance when it is remembered that many other areas of Canada, notably Ontario, are now approaching the end of their undeveloped hydro resources.

New surveys have required a constant upward revision of B. C.'s total hydro potential so that by 1956 the figure had risen to upwards of 21 million horsepower, not including the estimated expansion of present installations which can be increased by well over 2½ million horsepower, or by approximately 100%.

With the exception of Vancouver Island, these resources are fairly evenly distributed throughout the Province. The outlook for Vancouver Island has been greatly improved by a B. C. Electric submarine cable making Mainland resources available and immediately increasing the Island's supply by about 160,000 horsepower. Completed in the fall of 1956, this is the world's longest submarine cable of so high a capacity and is a "first" in undersea transmission engineering.

Perhaps the two outstanding aspects of B. C.'s hydro picture are, first, the existence of several large-scale projects, remote from centres of population, whose en-

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Mr. & Mrs. E. J. Doran, *Royal Securities Corpn., Ltd.*, Calgary; Mr. & Mrs. R. B. Brookes, *Royal Securities Corpn., Limited*, Edmonton; Mr. & Mrs. Douglas Colvey, *Canadian Dow Jones, Ltd.*, Montreal

Mr. & Mrs. A. F. Harvey, *Nesbitt, Thomson & Company, Limited*, Victoria; Mr. & Mrs. A. L. Bristowe, *Yorkshire Securities, Limited*, Victoria

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Recent Economic Trends In British Columbia

ergy can efficiently be used at tidewater on the Pacific Coast and, second, the enormous potential of the Upper Columbia and the Fraser Rivers, two of the best power rivers in the world, strategically located in the southern half of the Province.

On the coast, near Prince Rupert, Alcan's Kemano development has already brought into production close to one-third of its ultimate 2¼ million horsepower.

Northwards, between Kitimat and the Yukon border, there are two watersheds that can be developed for use at tidewater by using the same techniques as Alcan did, each with an apparent potential of close to five million horsepower although detailed engineering has not yet been done.

Southwards, between Kitimat and Vancouver, there is another large project, the Homathko-Chilko, with a potential of over one million horsepower, which can similarly be developed. It is under investigation currently by the B. C. Power Commission for possible use in its service areas on the northern half of Vancouver Island.

In the southern part of British Columbia, where the bulk of population and industry is located, the vast resources of the Fraser River would be the obvious next development for Greater Vancouver and the Lower Mainland area but, as you know, the problem of the salmon fishery is holding it up.

Farther east the large potential of the Upper Columbia has no fish problem — United States Government dams on the Lower Columbia having disposed of that,—so, as soon as the governments can iron out the complications caused by it being an international river, it appears destined to be the next big source of hydro power for southern British Columbia.

Four Large Power Producers

There are four large producers of power in British Columbia, the others being very small. On a horsepower basis, the "Big Four" at the end of 1956 were as follows:

—the B. C. Electric Company—750,000 horsepower;

—Consolidated Mining & Smelting, with its subsidiary West Kootenay Power — 630,000 horsepower;

—Alcan—600,000 horsepower;

—B. C. Power Commission—318,000 horsepower

When these figures of installed capacity for the distributing companies,—B. C. Electric, West Kootenay Power & Light and B. C. Power Commission, are compared with the tremendous potential of the Upper Columbia and the Fraser River, they seem small indeed. However, one must have regard for the very high rate of load growth, the highest in North America, that has been taking place since the end of the last war.

The B. C. Electric, for instance, has increased its installed generating capacity approximately 2½ times since 1947 and has under construction for the next five years, starting with this one, projects which will double its present capacity.

$3 Billion Capital Outlay

About 25 years from now, that is, during the winter of 1980-81, we forecast a peak load for our system of close to 10 million horsepower,—which, incidentally, means an investment exceeding $3 billion at today's prices. This is considerably more than the po-

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Mrs. D. W. Currie, Toronto; J. E. Choate, *Burns Bros. & Denton, Ltd.*, Winnipeg; D. W. Currie, *Burns Bros. & Company, Limited*, Toronto; Mrs. T. J. Bradbury, Toronto

Frank Rose, *Dow, Jones & Co.*, New York City; Mr. & Mrs. Eric Wright, *Geoffrion, Robert & Gelinas, Inc.*, Montreal; Peter Johnston, *Grant Johnston & Co., Limited*, Montreal

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Recent Economic Trends In British Columbia

tential of the whole Upper Columbia.

When you consider that 25 years is a relatively short period of time in the life of a province and that we are only one of the potential users of the output of the Upper Columbia, these figures indicate how important is the need for careful and intelligent planning of the uses of B. C.'s hydro resources, particularly those which are within economic transmission distance of centres of population and industry.

The pattern of the distribution of hydro resources throughout B. C.,—with several huge potential developments in the northern coastal area and in north central B. C. and with the Columbia and the Fraser Rivers in the heartland of southern British Columbia,—indicates that there is ample energy for several future Kitimats and similar ventures requiring large blocks of power for special use and, at the same time, hydro for the huge residential, commercial and industrial expansion that seems obviously destined in southern British Columbia, particularly, in terms of total consumption figures, in the Lower Mainland area centred about Greater Vancouver.

Aside from the important factor of abundant electrical energy, the hydro outlook means a tremendous construction program for B. C. as far as one dares look into the future.

These are very happy prospects for any province!

High Rate of Capital Investment in British Columbia

As Investment Dealers, you are familiar with the annual publication of the Federal Department of Trade and Commerce entitled "Private and Public Investment in Canada" which sets forth the investment intentions of the various main industries and governments for the year ahead. Let me mention but a few of its highlights in so far as British Columbia is concerned. Not only does it help to set our program of development in its proper national perspective, but it serves to point up in dramatic fashion the extent to which local, national and foreign investors are channeling their savings into the construction of new plant and other physical facilities in British Columbia.

One dollar out of every eight invested in the creation of new capital assets in Canada in 1956 was spent in B. C. As B. C.'s population is only about 9% of that of the whole Dominion, it can be seen that 30% to 40% more dol-

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Mr. & Mrs. Walter Sullivan, *Equitable Securities Canada Limited,* Toronto; Jules Dubuc, *Belenger, Inc.,* Montreal; Mr. & Mrs. A. G. Osburn, *Pemberton Securities Limited,* Vancouver

Mr. & Mrs. R. J. G. Reiner, *McLeod, Young, Weir & Company, Limited, Toronto;* Mr. & Mrs. C. P. Keeley, *McLeod, Young, Weir & Company, Limited,* Montreal

Continued from page 16

Recent Economic Trends In British Columbia

lars are being spent, per person. on new buildings, new machinery and equipment in my province than is the case generally across the nation. This is a differential, furthermore, which seems to be increasing with time.

Last year, capital outlays in B. C. were reported by the Federal Department of Trade and Commerce to be up 45% over those made in 1955, as against an average increase for Canada as a whole of 24%. A similar situation is forecast by the Department for 1957. As compared with 1956, capital expenditures in B. C. are seen as rising by a further 13%; while for Canada as a whole they are estimated at about 8%.

Breaking these totals down and singling out Ontario and British Columbia for comparison, we find that the resource, construction and utility industries draw heavier investment on the West Coast and that secondary manufacturing, finance and trade are relatively more important in Central Canada; with housing and government and other institutional outlay about the same percent in both provinces.

My attention, naturally enough, is attracted by the fact that electric power, gas and transportation industries are proportionately heavier investors on the West Coast. One out of every three, as opposed to one out of every five dollars in Ontario, is currently going towards the re-equipment and expansion of these services in British Columbia.

Thus, the latest information on investor intentions is consistent with the production record of the past decade. The main emphasis is still on resource developments in British Columbia. As one would expect, the bulk of our rapidly growing manufacturing industry is related to the resource industries but the marked diversification of this resource-based manufacturing since the end of the last war has added greatly to the stability of B. C. manufacturing.

New Industries Coming to the Province

In addition, B. C. is now achieving the size of population that is attracting a steady flow of secondary manufacturing, processing and distributive concerns while her leading resource industries have grown to such a size that supply manufacturers are locating plants in B. C. instead of shipping their products in.

As an example of the latter, one large chemical industry has just this year got into production to supply the burgeoning pulp and paper industry, and a second large American chemical company is currently looking for a site.

In general, you will be surprised when you visit Greater

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W. R. Tapprell, *Carlile & McCarthy, Ltd.*, Calgary; Don McDermid, *McDermid, Miller & McDermid, Ltd.*, Vancouver

Mr. & Mrs. S. J. A. Brettingham, Financial Counsel, Montreal

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Recent Economic Trends In British Columbia

Vancouver to see the way in which Vancouver Harbor has been built up almost solidly as has the north arm of the Fraser River, from Marpole to New Westminster, and other industrial sections of the area.

You will be surprised too at the extent of new office building during the past five years so that streets like Burrard and Georgia are quite transformed.

This, together with the total elimination of streetcars in favor of trolley coaches and a first-class street lighting system makes Vancouver currently the best looking city in Canada.

I have time to refer only briefly to trade. B. C. is essentially a trading province with a large volume of both exports and imports.

Her rail and sea facilities give her excellent connections with by far the largest consumer of raw materials in the world — the United States—and that nation is now entering increasingly into a stage where it can see the end of many of its hitherto abundant natural resources, and will therefore be increasingly disposed to conserve what remains in favor of importing from areas which she can count upon as a source of supply.

Round-the-Clock Ports

B. C.'s splendid all-year-round ports give her direct trade connections to centres throughout the world and she has a particularly strategic location opposite the awakening countries of Asia. The countries around the Asiatic side of the Pacific Ocean are determined to develop diversified economies, and if they are now going to see a similar growth to that of the countries around the Atlantic Ocean during the past two centuries, then the Pacific side of North America will indeed be in a fortunate location. It takes little imagination to see what a relatively small increase in the standard of living of Asia's abounding millions and an associated development of her vast resources would mean to international trade in general and to British Columbia in particular.

I hope I have given you, as your President requested, some idea of the major happenings in B. C. and prospects for the future. It is a future that holds large-scale and diversified investment opportunities.

Perhaps the single impression I would most like you to take away is the beneficient working of a circle of mutually stimulating factors, namely, bountiful natural resources, abundant energy, temperate climate, strategic location, population growth and industrial development.

This is an optimistic note to end on, and it is the note I want to leave with you. I realize that, as Havelock Ellis said, "The place where optimism most flourishes is the lunatic asylum." But I hope I have conveyed to you the reasoned basis for optimism about B. C. If her people live up to their opportunities and continue to show qualities of realism, broad-gauged thinking and courage, I believe that British Columbia has a very great future indeed.

Mr. & Mrs. W. J. Cooper, *Davidson & Company*, Toronto

Mr. & Mrs. C. Teskey Smith, *Harrison & Company, Ltd.*, Toronto

Continued from page 9

In Attendance at I.D.A.C. Convention

CROWE, W. DOUGLAS*
Osler, Hammond & Nanton Ltd.
Saskatoon

CUNLIFFE, GUY*
The Gazette
Montreal

CUNNINGHAM, J A.*
Gairdner, Son & Company Ltd.
Kingston

CURRIE, D. W.*
Burns Bros. & Denton Limited
Toronto

DALY, JOHN R.*
Wood, Gundy & Company Limited
New York

*Denotes Mr. and Mrs.

DALY, R. A. Jr.*
R. A. Daly & Company Limited
Toronto

DALY, R. O., Q. C.
Daly, Thistle, Judson & Harvey
Toronto

DAVIE, J. H.*
Dominion Securities Corpn. Ltd.
Toronto

DAWSON, DUDLEY*
Dawson, Hannaford Ltd.
Montreal

DEAN, R. H.*
Nesbitt, Thomson and Company
Montreal

DEANS, D. T.*
Bankers Bond Corporation Ltd.
London

DEMPSEY, JOHN B., II
Dempsey Canadian Newsletter
Montreal

DIXON, R. M.*
Bell, Gouinlock & Company, Ltd.
Toronto

DIXON, JOAN
Toronto

DORAN, E. J.*
Royal Securities Corpn. Ltd.
Edmonton

DOWNES, WALTER L.
Kippen & Company Inc.
Montreal

DRAKE, E. C.*
C. M. Oliver & Company Ltd.
Vancouver

DUBUC, JULES P.
Belanger Inc.
Montreal

DUGGAN, ERIC M.*
D. M. Duggan Investments Ltd.
Edmonton

DUNCAN, JIM L.*
Wood, Gundy & Company Limited
Vancouver

DUNLOP, WM. S.*
Oldfield, Kirby & Gardner
Winnipeg

DUNN, A.*
Bell, Gouinlock & Company, Ltd.
Hamilton

EDMONDS, O. R.
Gardiner, Watson, Fitzpatrick
Toronto

ELLIOT, G.*
The Western City Company Ltd.
Vancouver

ELSEY, N. F.*
Wood, Gundy & Company Limited
Calgary

Continued on page 26

Mr. & Mrs. John R. Hughes, *Royal Securities Corporation, Ltd.*, Montreal; Mr. & Mrs. E. H. Gunn, *Midland Securities Corpn. Limited*, Toronto

Mr. & Mrs. W. E. Thomsen, *Pemberton Securities Limited*, Vancouver; Mr. & Mrs. J. D. Gilmore, *Royal Securities Corporation, Limited*, Vancouver

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Natural Gas—What It Means to Canada

appearance as a potential consumer of natural gas.

Let's start off with some population figures.

These figures are for areas lying along or adjacent to the systems of Trans-Canada and Westcoast. They do not include Alberta. The first figure includes Toronto but not Vancouver, now converting to natural gas, but which is included in the second figure.

Population
(Adjacent to main transmission pipe lines—not including Alberta)

Now served with natural gas	2,530,000
Now served with other gas	3,260,000
Not now served with gas	1,260,000
Total population	7,050,000

Number of Prospective Customers in Communities

Now served with natural gas	324,000
Now served with other gas	387,000
Not now served with gas	564,000
Total present potential	1,275,000

Then we follow on to the number of customers available from that population and we come to the second table. This total potential is based on a market survey of 18.1 customers per hundred of population in the fifth year of operation. This saturation point of 18.1 compares to our companies' figure of 24.9. I feel that the 18.1 figure is realistic—though perhaps a trifle conservative—when considering the more intense competition the export markets will have from other fuels, than does Alberta. By export I mean those markets outside Alberta.

Capital Requirements

And now I propose to give the crystal ball a real twirl. We shall look at the estimated capital cost of serving a population in excess of seven million and customers in excess of a million and a quarter. A few years ago I suggested that to bring the natural gas project to completion—by which I meant the serving of the million and a quarter customers—would cost in excess of a billion dollars over the five year period. I now want to revise that figure upwards and to suggest that a conservative estimate of capital expenditures between now and the end of 1961 could be at least a billion and a half dollars (see table.)

Summary of Capital Expenditures 1957-61 Inclusive

	Millions
Transmission	$629
Field gathering systems	25
Production facilities	95
Distribution systems	335
New appliances	240
Piping, installation and controls	140
Total	$1,464

The major item of $629 million can be broken down into $545 million for the main transmission lines, $30 million for the major branch lines, and $54 million for the Alberta Gas Trunk Line system. This does not take into consideration the numerous small branch lines which will be required and which cannot be firmly determined at this time.

The field gathering system includes compressors.

Production facilities include processing plants.

The distribution system estimate of $335 million has been arrived at on the basis of $400 per new customer in the fifth year of development and $200 for existing customers now served with manu-

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Natural Gas—In Canada

factured gas or propane-air. For example, Toronto customers have been included in the latter figure.

Fillip to Gas Appliance Industry

New applicances was a really tough figure to arrive at. We assumed that 75% of the new customers will install space heating equipment, 50% ranges, 75% water heaters, 10% dryers and 1% refrigerators and incinerators. This, to some extent, was based on our Alberta companies' experience though we have about 99% saturation on space heating. If this guess is even approximate it should provide a much needed fillip to the struggling Canadian gas appliance manufacturing industry, though, of course, they will be exposed to strenuous competition from the appliance manufacturers across the border — indeed, they are now. I would suggest that the Canadian manufacturer who can raise the capital to expand and improve his plant where necessary, who can produce appliances competitive in quality, efficiency and safety with those from the U. S., and, above all, is prepared to give service and train a competent sales force now, can capture a substantial portion of this market.

The interior piping and installation figure, including cost of controls, is based almost entirely on the average residential customer and does not include the larger commercial and industrial. It is based on $17,000 per 100 new customers and $8,000 per 100 customers already using some type of gas.

Before doing so you may be interested in this picture of the Canadian Gas Appliance Market as it now stands. The first column is the actual and estimated unit sales (not dollars) for 1956—all the actual figures were not available—and includes appliances imported from the U. S. The second column is an estimate of the 1958 market which I suspect will prove to be under what the actual will show. These figures do not include dryers, incinerators or refrigerators.

Appliance Market

	1956 Sale	Estimated 1958 Sale
Gas warm air furnaces	43,075	60,000
Gas domestic boilers	3,500	4,000
Gas conversion burners	22,000	30,000
Gas floor furnaces and wall heaters	7,000	7,500
Gas space heaters	26,000	31,000
Gas cooking ranges	75,019	93,000
Gas hot plates	8,000	10,000
Gas water heaters	72,575	90,000
Total units	257,169	325,500

Another supplemental chart which might be of interest is this one of the known capital expenditures of Canadian pipeline and utility companies for 1957. It is definitely low. There are some companies not included. B. C. Electric for example — and even my companies have revised their budget upwards since this was prepared—but I show it to you as an indication of what is being spent for new plant and equipment today.

1957 Capital Budgets of Canadian Companies

Alberta Gas Trunkline Co.	2,985,000
Canadian Western Natural Gas Co. Ltd.	3,000,000
Consumers' Gas Co. of Toronto	4,000,000
Dominion Natural Gas Co. Ltd.	2,500,000
Inland Natural Gas Co. Ltd.	25,000,000
Northern Ontario Natural Gas Co. Ltd.	1,000,000
Northern Ontario Pipe Line Crown Corp.	50,000,000
Northland Utilities Limited	750,000
Northwestern Utilities, Limited	3,000,000
Quebec Natural Gas Corp.	5,000,000
Saskatchewan Power Corp.	5,865,000
Trans-Canada Pipe Lines, Ltd	98,000,000
Union Gas Co. Ltd.	22,500,000
Westcoast Transmission Co. Ltd.	151,000,000
Total	374,600,000

And now a projection of my previous table on capital expenditures during 1957-1961. The figure of $1,464 billion I believe is conservative and one which I feel

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Mr. & Mrs. Arnold Plaxton, *Intercity Securities Corporation, Ltd.*, Toronto; Mr. & Mrs. N. E. Lane, *Nesbitt, Thomson and Company, Limited*, Toronto

Mr. & Mrs. G. M. Wilson, *Equitable Securities Canada Limited*, Toronto; Mr. & Mrs. Eric Duggan, *D. M. Duggan Investments, Ltd.*, Edmonton

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can be readily supported. Just for the fun of it I would like to give the crystal ball another twirl and see what we come up with.

No Allowance Made for Future Population Growth

Before doing so, I should say that my billion and a half includes nothing for future population growth — it is applied to present population estimates only. It takes no account of additional projects or extensions other than those already announced. It does not include the conversion of large industrial customers. It contains nothing for the present facilities of those companies who have been serving customers with natural gas for many years, such as Union Gas, and nothing either present or future for our Alberta companies. It includes nothing for exploration, acquiring of gas rights, and the other considerable but immeasurable items of this character.

This figure ($1,464 billion) includes nothing for buildings to serve the 564,000 new cusomers. I feel that we can safely add $10,000,000 for this item based on $1,750 per 100 customers.

The next tabulation just extends my first capital one with the unknowns which I think can reasonably be added. In a recent address given by Mr. A. P. Craig, Vice-President of Trans-Canada, he was quoted as saying that he knew of $200 million which would be put into new plants to be built in Canada because of the availability of natural gas. In another speech made recently, Mr. A. G. Bailey, Vice-President and General Manager of Bailey-Selburn, looking into his crystal ball forecast a figure of $100 million for new well drilling in Alberta — but nothing for drilling elsewhere in Canada.

	Millions
Capital expenditures 1957-61	$1,464
New administration buildings, shops, etc.	10
New industry (A. P. Craig)	200
New drilling (A. G. Bailey)	100
Third transmission line (Canadian portion)	180
	$1,954

That is really adding in the unknowns — but I believe there is every likelihood that within the next five years a third pipeline exporting gas from beyond Alberta will be built. Even disregarding Mr. Craig's $200 million—and please don't misunderstand me, I am not disparaging it, in fact I am sure he knows whereof he speaks — particularly when you think of all the natural gas by-products such as sulphur, propane and butane—I feel that an expenditure of capital directly attributable to Western Canadian natural gas, within the next five to seven years, of $2 billion is reasonable—particularly when the Gordon Commission suggest that the expansion of the oil and gas industry might require during the next 25 year period a capital investment of $25 billion.

St. Lawrence Seaway Project

I hope you are not getting fed up with these statistical tables but I do have one or two more. This next one (Table II) particularly intrigued me — a comparison be-

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TABLE II

Comparison With St. Lawrence Seaway

(In millions of dollars)

	Present Estimates	Probable Increase since Original Estimate	Total
Seaway—Canada portion	$285	$15	$300
Seaway—U. S. portion	100	30	130
Power development	600	50	650
Totals	$985	$95	$1,080
Capital cost—natural gas program	$1,464	$490	$1,954

Mr. & Mrs. William Dunlop, *Oldfield, Kirby & Gardiner, Ltd.*, Winnipeg; Mr. & Mrs. Bruce MacFarlane, *Bank of Canada*, Ottawa; Mr. & Mrs. R. A. Wilson, *Goodwin Harris & Company, Ltd.*, Toronto

Nigel Gunn, *Bell, Gouinlock & Company, Ltd.*, Toronto; Mrs. R. W. Gouinlock, Toronto; Mr. & Mrs. Robert Craft, *The Chase Bank*, New York City

Mr. & Mrs. Jack Ridley, *A. E. Ames & Co.*, Toronto

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Natural Gas—What It Means to Canada

tween the capital cost of the St. Lawrence Seaway project and the Canadian natural gas development. You will note I have used the conservative estimate of the natural gas program, but that I have added in the more optimistic figures from the previous table. You will also note the Seaway project includes $130 million for the U. S. portion where I have not included anything in the natural gas picture for U. S. pipelines built for the purpose of connecting with Canadian pipelines to take gas from Canada, or to sell U. S. gas to Canadian pipelines. The daily energy involved in the gas program equivalent to over 1 trillion B.T.U.s compares with 2,200,000 H.P. of the St. Lawrence project, which gives the gas development more than seven and one-half times the daily energy involved in the Seaway's plan. That is only taking into account the initial peak day potential of Trans-Canada and Westcoast of 1,020 million cubic feet at 1,000 B.T.U.s per cubic foot, with no regard to further increased capacity already being planned or for any other major transmission line projects.

Let us divert our attention for a moment from capital expenditures to operating. This next table shows the annual costs of serving new customers—it has nothing to do with customers who are now burning natural gas— the calculation has been based upon the experience of the companies with which I am associated.

Annual Costs of Serving New Customers

	Millions
Field production expense	*$5
Transmission expense	9
Distribution, commercial, new business and administrative expense	†20
Total	$34

*Excluding purchased gas.
†New customers only.

So far we have talked about expenditures and have said nothing of revenue. That, I do not intend to dwell upon. The Trans-Canada, Westcoast and Alberta Trunk pipelines have been financed, something about which you know a great deal more than I. You and I know that such financing would not have been forthcoming had not the applicants been able to satisfy you, the insurance companies and the public that sufficient revenue is there.

Demand for Natural Gas to Exceed Forecasts

There is no doubt—in my opinion—that the acceptance of natural gas in the communities it is going to reach for the first time is going to be much more rapid than the forecasts we have had to date. This, I believe, is supported by the experience of B. C. Electric in Vancouver and by the Consumers in Toronto. For initial acceptance natural gas is sold, like any other product, much more readily if it is cheaper and better than the product of its competitor.

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R. W. Gouinlock, *Bell, Gouinlock & Company, Limited*, Toronto; Mr. & Mrs. R. A. Daly, Jr., *R. A. Daly & Company, Ltd.*, Toronto

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Natural Gas—What It Means to Canada

So far, both these factors have been the background of natural gas sales. I believe that over the years the price of gas is going to rise to the point where it may be just competitive with other fuels and if so will be selling itself on convenience, efficiency and quality alone. If, and when that time comes, I think it will still maintain its position in the fuel and energy market.

In support of that remark, I will again refer to the Gordon Commission Report wherein they say that Canada's energy demands will be supplied to the extent of 25% by natural gas in 1980—as compared to 4% in 1953. This will mean that natural gas consumption in Canada will be about 10 times what it was in 1955. I am not one of those who believes that every utterance of a Royal Commission should henceforth become gospel but that statement is one to which I subscribe, and which I believe to be fair and temperate.

I know there is some concern as to whether natural gas will have an adverse effect upon Canada's other fuel sources. I do not believe it will on electric power. Gas, along with oil, has already had its effect on coal and, gas in turn, is bound to have a similar effect on oil where oil is used for heat producing purposes, particularly in the residential market. In this connection, we should remember that in most cases the oil companies are the producers of gas. In fact, I think in Western Canada they are beginning to wonder which may be the most profitable of the products they have for sale. Electric power has and always will have a market which cannot be served by natural gas. This is borne out by the number of utility companies in the United States that sell both. I fear that natural gas may have difficulty in making much headway against electricity in the domestic cooking field, conversely it should, because of its economy, dominate in the commercial cooking field. Electricity so far cannot heat buildings economically in below zero weather—but natural gas can be and is being used to generate electric power.

Table III will show you the expansion of the natural gas industry in the U. S. A. in the 10 years 1945-1955. Figures for 1956 are available but while the expansion in that year is substantial the comparison is still about the same—so for ease of comparison I used 1945-55.

There are several interesting features of this table—just look at the right hand column—compare the 1945-55 ratio of production to revenue and again to construction expenditures — compare revenue to payroll and payroll to number of employees.

Table IV I found most interesting. It shows the fuel energy use in the U. S. A. and Canada. You will note that Canada in 1953 so far as natural gas was concerned was in about the same position as the U. S. was in 1920. You will also see that in 1980 we will reach the U. S. level of 1955. Our rate of expansion, however, is some-

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TABLE III

United States Expansion

	1945	1955	1955 Ratio 1945
Marketed production (billions of cu. ft.)	4,042	9,340	2.3
Revenues (utility) (000's of dollars)	$680,874	$2,969,592	4.4
Customers (utility) (thousands)	8,914	22,864	2.6
Construction expenditures (millions of $)	$160	$1,345	8.4
Employees (utility) (thousands)	66.9	162.6	2.4
Payroll (utility) (thousands of dollars)	$160,475	$751,181	4.7
Average payroll per employee	$2,400	$4,620	1.9

Mr. & Mrs. J. R. Hilborn, *McLeod, Young, Weir & Company, Ltd.*, Toronto; Mr. & Mrs. D. T. Deans, *Bankers Bond Corporation, Limited*, London, Ontario; Mr. & Mrs. A. J. Cartan, *Harrison & Company, Limited*, Toronto

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what more rapid — the U. S. reached her 26% after 35 years, whereas Canada is expected to reach a similar figure in 27 years from 1953. I feel that the expansion of Canada's natural gas industry will be comparable to that in the U. S. over the past 15 to 20 years. The marketed production of natural gas in the U. S. has grown from 0.7 trillion cubic feet in 1918 to 10 trillion in 1956 and 20 trillion is estimated for 1975.

Now that the financing has been arranged and construction underway, the chief problem left is to sell the gas. That can only be done by public promotion and education carried on continuously and by the utility company observing good utility practice.

New natural gas markets can only be obtained if the utilities serving those markets do so by maintaining an efficient and safe plant, operated with the highest standard of service and with constant regard for the convenience and comfort of its customers. The natural gas industry on the American continent has established a reputation of courteous and prompt attention to its customers' needs to the point where, as an industry, it is regarded with public confidence and respect common to few others. This standard must be maintained in the new markets about to be opened to Western Canadian natural gas.

TABLE IV

Fuel Energy Use

	1900	1920	1945	1955
United States—				
Natural gas (incl. liquids)	Less than	4.4%	14.2%	26.0%
Petroleum	10%	13.3	30.5	41.0
Coal	90	78.4	50.6	29.3
Water pawer	--	3.9	4.7	3.7
Canada—		*1926*	*1953*	*Est. 1980*
Natural gas		2%	4%	25%
Petroleum		10	42	45
Coal		69	39	16
Wood		16	7	1
Water power		3	8	11
Nuclear		--	--	2

Regulated by Government

Utilities are subject to Government regulation. As such, the rate of return that they can earn on their rate base is controlled but in no way guaranteed. It would be impossible for me to delve into the various types of rate base here and, without doing so, quoting percentage rates of return is almost meaningless. However, the allowed percentage rates in Canada vary in a range from 6½% to 8%. But the rate base can be established on a variety of approaches from depreciated original value to replacement cost new.

Our regulatory climate in Canada is good. I believe that all our Commissions arrive at their decisions having in mind their responsibility to protect the public and also to ensure that the utility is allowed to operate so that its financial health can be sound enough to attract additional capital to meet the constantly growing requirements of its customers.

A major consideration facing the industry right now is the manpower situation, which over the next several months could become acute. Trained natural gas utility men in Canada are a comparative rarity — not only the technical men of department head or sub-department head level but also the key position foreman type. Those companies who have been established in the gas business—manufactured or natural—have a problem, but not as great a one as those new companies serving new territory. The established company at least has a set up where new employees, to handle the company's expansion, can be trained.

As an indication of what the manpower requirement may be to serve the present potential of 1,275,000 customers, the employee ratio in the gas utilities in the United States is one to every 140 customers. Applying this ratio to the potential customers in Canada would result in approximately 9,000 employees. In my own companies — who produce and transmit as well as distribute—the ratio is one to 157 customers. That figure does not include casual labor employed during the construction season.

Even with all the political hulabaloo, I don't believe the average Canadian citizen has any realization of the magnitude of the effect natural gas is going to have on the economy of his country and on the comfort of himself and his family—because of a few holes dug in the fertile soil of Alberta. It is up to the gas industry to keep the public informed of the effect Western Canada's resources are about to have on their future. In that area the Investment Dealers could be of great assistance—many of you have already been very helpful with some of the literature you have published.

Hal Murphy, *Commercial & Financial Chronicle*, New York; William T. Bartlett, *Bartlett, Cayley & Company, Ltd.*, Toronto; Douglas Huycke, *Bache & Co.*, Toronto

Mr. & Mrs. Allan Castledine, *V. S. Castledine & Co., Ltd.*, Ottawa; Stanley Reson, *W. C. Pitfield & Co., Ltd.*, Belleville, Ont.; Roy Beale, *Wood, Gundy & Company, Limited*, Vancouver

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George Kent, *Dominion Securities Alberta Limited*, Calgary; Mr. & Mrs. E. D. Arnold, Jr., *Dominion Securities Alberta Limited*, Calgary; Frank B. Poutney, *Houston, Willoughby & Co., Ltd.*, Regina

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The Canadian Capital Markets

terms of U. S. dollars from 1.02 to 1.05½.

The past year has seen the corporate financing spot-light swing from the uranium industry to the petroleum industry and especially to pipelines. The investment community can look with pride upon our accomplishments in this area, not only at the magnitude of the financing, but also at the seemingly unsurmountable problems which were overcome, thanks to the courage, vision and skill of investment dealers. Great projects have been brought into being. It must be remembered that Canadian participation in these projects has been important although foreign buyers have tempted many Canadians to sell their original investment by offering what seemed to some, very high prices.

Trend Toward Equities

Constant talk of tight money and fear of inflation has perhaps induced many investors, domestic and foreign, to turn from fixed income securities towards equities and our members have, in raising capital for corporations, made greater use of the convertible debenture, or the now popular "package deal." It is possible thus to offer investors some of the benefits of both types of securities. Perhaps the pendulum has swung too far. Fixed income securities have become less popular at a time when offering the highest return in 25 years. Surely there is no proof that equities represent a clear, straight track without dangerous curves and with nothing but green signals ahead.

Provincial governments have been heavy borrowers at home and in the U. S. Gross new issues, direct and guaranteed, increased from $372 million in 1955 to $608 million in 1956. Purposes of capital borrowing vary somewhat from province to province but by and large, power plants, highways, public buildings, bridges, extension of telephone services in the Prairie Provinces and railway construction in British Columbia are among the more prominent.

Our larger cities have also been substantial borrowers for schools, waterworks, sewer extensions and other municipal purposes but smaller municipalities and less well-known corporations, have found it difficult to obtain capital requirements as institutional investors are offered a plethora of good names at attractive yields. So many well-known borrowers sought funds that many institutions had neither the money nor the time to investigate put-of-the-way or little-known situations. Provincial governments across Canada are endeavoring each by a different method, to assist their respective municipalities to obtain necessary funds so that the municipalities might in their turn provide the standards of service required by a growing population.

During the past year Canadian corporations have raised large sums of capital by issuing rights to their shareholders and this, of course, reduced the amount of money available for investment in other securities.

A great deal has been heard of higher interest rates and tight money, but these are not the only difficulties encountered. Borrowers find they are paying a great deal more for their projects. Construction costs are sharply higher, and give no evidence of becoming less. One wonders if overmuch attention is not being paid to the cost of money and not enough attention to the fact that the costs of projects undertaken today are considerably greater than a year ago.

Monetary control is new—it is comparatively untried, but during the past 20 months in Canada has been put to its greatest peace time test. We all hope that perhaps the magic method of controlling the wider excesses of the business cycle has been discovered.

Many of us are prone to criticize control and the detail of methods used. Perhaps we would be well advised to take heed of the yellow light being flashed and pause to see if our plans for expansion are sound, and our projects entirely necessary. Parenthetically, may I observe that the Dominion Bureau of Statistics Index of Wholesale Prices rose from December, 1956 to April, 1957 by only .17 of 1% as against a rise in a similar period a year ago of 1.5%. I consider this a hopeful indication that the tight money policy is proving effective, at least in this direction.

I commend to your attention the 1956 Annual Report of the Governor of Bank of Canada. It presents a detailed description of the operation of a Central Bank during a period of inflationary pressures, and it should be carefully read by every person dealing in or holding securities.

Government Spending Continues Uptrend

No review of the year could be complete without reference to Government spending which is still increasing. Federal expenditures rose by about $160 million in 1956 over 1955 and the budget figures for the current fiscal year indicate a further increase in spending of some $400 million. Simultaneously, provincial expenditures rose by $74 million from 1955 to 1956.

At the beginning of 1957 corporation capital spending intentions for the year were announced as $8.5 billion, or an increase of 8% over 1956, and early indications are that 1958 will start off at an equal rate. This means continued demand for goods and services, and indicates continued high level of employment accompanied by heavy demand for most goods, capital and consumer, domestic and imported.

Barring unforeseen circumstances, or perhaps a complete stoppage of immigration, Canada's growth is only beginning. Nothing in nature grows evenly, and despite the best efforts of man, it is hardly likely our country's economy will do so either. From time to time there must be slow downs and consolidations, and from time to time it may well be in order for all of us to pause, take stock and perhaps blend a little caution with our optimistic visions of tomorrow. Our industry has grown, nearly three times as many are employed in our member firms as there were in 1946, over 3,700 hundred young men and women have enrolled in our educational courses since their inception in 1947.

Undoubtedly, financing will be required in vast amounts and will be arranged perhaps by methods yet to be developed. Our members have shown in the past ingenuity and effort and I amsure tht they will continue to play their constructive part in the development of our country.

Harry Gassard, *Investment Dealers' Association of Canada,* Toronto; Mr. & Mrs. E. C. Drake, *C. M. Oliver & Co., Ltd.,* Vancouver; Mr. & Mrs. L. R. Naylor, *C. M. Oliver & Co., Ltd.,* Vancouver

Mr. & Mrs. J. P. Walwyn, *Walwyn, Stodgell & Co., Limited,* Toronto; Mrs. J. C. Stodgell, *Windsor, Ont.;* Peter Gooderham, *Wills, Bickle & Co.,* Toronto

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Investment Dealers' Digest
New York

MANNING, The Hon. E. C.*
Premier of Alberta
Edmonton

MARTIN, I. A.*
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Toronto

McQUAID, W. S.*
Pemberton Securities Limited
Vancouver

MEARNS, H. G.*
A. E. Ames & Co. Limited
Victoria

MEREDITH, ROY F.*
Ringland, Meredith & Co. Ltd.
Lethbridge

MEREDITH, THOMAS W.*
Osler, Hammond & Nanton
Calgary

MILNER, A. J.*
Mills, Spence & Co. Limited
Toronto

MITCHELL, D. W.*
Pemberton Securities Limited
Vancouver

MONZON, MANUEL*
Fraser, Dingman & Co.
Toronto

MOORE, Mrs.
Court Reporter
Calgary

MOORHOUSE, J. C.*
Deacon Findley Coyne Limited
Toronto

MUIR, A. G.*
W. C. Pitfield & Company Limited
Vancouver

MUNRO, JAMES D.*
Yorkshire Securities Limited
Vancouver

MURPHY, HAL
Commercial & Financial Chronicle
New York

NATION, G.
Dominion Securities Corpn. Ltd.
Vancouver

NAYLOR, L. R.*
C. M. Oliver & Company Ltd.
Vancouver

OSBURN, A. G.*
Pemberton Securities Limited
Vancouver

PARSONS, C. O.
N. L. MacNames & Company Limited
Toronto

PEQUEGNAT, J. A.
Cochran, Murray & Co. Limited
Toronto

PERCIVAL, E. G.*
Harrison & Company Limited
Toronto

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Henri Clement, *Clement, Guimont, Inc.*, Quebec City; Mr. & Mrs. I. A. Martin, *Royal Securities Corporation, Limited*, Montreal

Norman Stanbury, *Stanbury & Company, Ltd.*, Halifax; G. W. Ramsay, *Stanbury & Company, Ltd.*, St. John; Robert Clark, *Calvin Bullock, Ltd.*, New York

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In Attendance at I.D.A.C. Convention

PLAXTON, ARNOLD*
Intercity Securities Corpn. Ltd.
Toronto

POUTNEY, F. B.
Houston, Willoughby & Co. Ltd.
Regina

RAMSAY, GEORGE W.
Stanbury & Company Limited
Saint John

RATH, HENRY H.
Nesbitt, Thomson & Co.
Montreal

REID, A. K. G.*
The Western City Company Ltd.
Vancouver

REINER, R. J. G.*
McLeod, Young, Weir & Co. Ltd.
Toronto

RESON, STANLEY P.*
W. C. Pitfield & Company Ltd.
Toronto

RICHARDSON, JAMES
James Richardson & Sons
Winnipeg

RIDLEY, J. B.*
A. E. Ames & Co. Limited
Toronto

ROBERTSON, R. W.*
Isard, Robertson and Co. Ltd.
London

ROBSON, W.*
A. E. Ames & Co. Limited
Toronto

ROCHON, FERNAND
Rene T. Leclerc Inc.
Montreal

ROSE, FRANK
Dow Jones & Company Inc.
New York

ROSS, G. A.*
Collier, Norris & Quinlan
Montreal

ROTHWELL, K.
A. E. Ames & Co. Limited
Winnipeg

RUSSELL, F. H.*
Nesbitt, Thomson and Company
Vancouver

RUSSELL, K. G.*
McLeod, Young, Weir & Co. Ltd.
Vancouver

RUTHERFORD, A. M.*
W. C. Pitfield & Company Limited
Calgary

SAMIS, B. C.*
Samis & Company Ltd.
Vancouver

SAMIS, J. C.*
Samis & Company Ltd.
Vancouver

SCOTT, L. W.
Ross, Knowles & Co. Ltd.
Toronto

SMITH, C. TESKEY*
Harrison & Company Limited
Toronto

SMITH, JO ANN
Harrison & Company Limited
Toronto

SMITH, JOHN B.*
Wood, Gundy & Company Limited
Toronto

SEDLYAYR, J. H.*
Merrill Lynch, Pierce, Fenner & Beane
New York

SKELLY, J. T.*
Midland Securities Corpn. Ltd.
Toronto

SOPER, W. Y.*
W. C. Pitfield & Company Limited
Montreal

STANBURY, H. N.
Stanbury & Company Limited
Halifax

STANLEY, DAVID
Wood, Gundy & Company Limited
Toronto

STEINER, R. N.*
A. E. Ames & Co. Limited
Toronto

STODGELL, J. C.*
Walwyn, Stodgell & Company Ltd.
Windsor

STOKER, D.
Nesbitt, Thomson and Company
Montreal

SULLIVAN, WALTER L.*
Equitable Securities Canada Ltd.
Toronto

SYDIE, JOHN E.
Sydie, Sutherland & Driscoll
Edmonton

TAPRELL, W. R.*
Carlile & McCarthy Ltd.
Calgary

THIRLWELL, H. B.*
Nesbitt, Thomson and Company
Edmonton

THOMPSON, A. G.*
James Richardson & Sons
Winnipeg

THOMPSON, BRUCE E.*
Ross, Knowles & Co. Ltd.
Guelph

THOMPSON, J. T.*
Molson Securities Ltd.
Montreal

THOMSON, JIM E.*
Wood, Gundy & Company Limited
Edmonton

THOMSON, W. E.*
Pemberton Securities Limited
Vancouver

TINGLEY, HALL W.*
Wood, Gundy & Company Limited
Montreal

TURNER, E. W.*
Burns Bros. & Denton Limited
Montreal

*Denotes Mr. and Mrs.

Continued on page 31

Mr. & Mrs. H. S. Griffin, *Wood, Gundy & Company, Limited*, Halifax; Miss Jane Griffin; Mr. & Mrs. C. A. Brown, *Hagar Investments Limited*, Victoria

Mr. & Mrs. A. F. Francis, *A. F. Francis & Company, Ltd.*, Toronto; Ralph Blackmore, *Globe & Mail*, Toronto; L. W. Scott, Ross, *Knowles & Co., Ltd.*, Toronto

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In Attendance at I.D.A.C. Convention

WARNER, W. V.*
James Richardson & Sons
Edmonton

WATT, L. N.*
Gairdner, Son & Company Limited
Toronto

WEBB, D. I.*
J. H. Crang & Co.
Toronto

WEBSTER, R.*
James Richardson & Sons
Vancouver

WILEY, D. R.*
Harrison & Company Limited
Calgary

TURNEY, A. H.*
Locke, Gray & Company
Calgary

*Denotes Mr. and Mrs.

VENABLES, F. G.*
Pemberton Securities Limited
Vancouver

WALWYN, J. P.*
Walwyn, Stodgell & Company Ltd.
Toronto

WARD, D. H.*
Dominion Securities Corpn. Ltd.
Toronto

WILLIAMS, V. B.*
C. M. Oliver & Company Limited
Vancouver

WILSON, G. M.*
Equitable Securities Canada Ltd.
Toronto

WILSON, ROGER A.*
Goodwin Harris & Company Limited
Toronto

WOOTTEN, G. E.*
The Western City Company Limited
Vancouver

WOOTTEN, P. A.*
The Western City Company Limited
Vancouver

WRIGHT, DOUGLAS
Wood, Gundy & Company Limited
Montreal

WRIGHT, ERIC J.*
Geoffrion, Robert & Gelinas, Inc.
Montreal

WRIGHT, J. R.
Carlile & McCarthy Ltd.
Calgary

WRIGHT, R. K.*
Mills, Spence & Co. Limited
Toronto

YORATH, D. K.*
Canadian Western Natural Gas Co.
Edmonton

YOUNG, NORMAN
Osler, Hammond & Nanton Limited
Winnipeg

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