CANADIAN LAKEHEAD
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INDUSTRIAL - COMMERCIAL NEWS REPORT

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THE LAKEHEAD ECONOMY

The Commission does not agree with the varied pessimistic forecasts of the business trend in 1968.

It is agreed the economy is tightening up to some degree and world wide monetary changes have had a disconcerting effect.

However, over-stressing soft spots in our economy can have a psychological effect, even on progressive minded people.

Lets look at the positive side of the future and see what we have going for us: -

1. The Port Arthur Shipyards have an excellent winter and spring before them with full employment.
2. Lakehead University will continue to expand to meet student enrollment and a start on Confederation College has to be made shortly.
3. Urban Renewal studies in both cities will create excitement and action in the downtown areas.
4. We will soon see a start on our first "High Rise" Apartment in the Lakehead.
5. We will see in the spring of '68, a start on a new concept of a discount groceteria.
6. Keefer Terminal $3½ million expansion will be underway in the spring.
7. Hydro facilities are being expanded to meet increased demand.
8. Modern facilities now being built to handle iron ore will have a big and beneficial effect on the Lakehead economy.
9. The pent up demand for housing will have to be met despite high interest costs.
10. Explorations in the area mining field are leading to eventual and substantial expansion. It is not beyond hope we may see a large smelter established in the district.
11. The long awaited Expressway is nearing completion opening up a whole new area for expansion.
12. Our paper mills are modern and on a substantial base.
13. The Lakehead and Northwestern Ontario are included in the Ontario Government "Equalization of Opportunity Program" and we are taking full advantage of this. We may expect some pleasant surprises in not only local expansions of industry but some new and varied businesses as well.
14. New Industrial Parks are being opened in both cities.
15. Large merchandising chain stores are currently examining the Lakehead market with a view to expanding.
16. Expo '67 world wide promotion will have a continuing effect and we anticipate a greater number of travellers and tourists into the area in 1968.

These encouraging forecasts can be endangered if extravagant demands for wage increases are continued.

"WORRYING ABOUT SOMETHING THAT HAS
NOT YET HAPPENED IS A SERIOUS DISEASE!"

ONTARIO'S "EQUALIZATION OF OPPORTUNITY PROGRAMME"

On September 19, 1967, the Ontario Government announced a new Industry Incentive Plan for areas of the province where growth had been slowest and this included all of Northern and Northwestern Ontario and some pockets in Eastern Ontario but excluding areas now "designated" by the Federal Government.

In the short period since September 19, considerable interest has been shown in this interest free, forgiven loan plan. The Ontario Development Corporation has accepted applications for development loans and shortly the names and locations of successful applicants will be announced.

It is stressed by Government officials this is not a give-away programme, as applications for loans must make good business sense. Secondary industry wishing to establish in the designated areas of the province must not compete with established industry. Secondary (manufacturing) industry in the area wishing to expand is encouraged to examine this programme, as they are eligible.

In concise form here is what the plan means: -

Taking for example a local secondary industry planning an approximate $2 million expansion, it would be eligible, if standards of business experience etc. were met, for an interest free forgiven loan, based on 1/3 of the first $250,000 of construction and equipment cost and 1/4 of the balance up to a maximum loan of $500,000. This loan is interest free, and each year for 5 years 10% of the total is forgiven. If all agreements have been honoured, at the end of the 6th year the balance is forgiven.

The School of Business Administration, Lakehead University was asked to examine this proposition and forecast what a business would have to produce in sales to create an equal profit over a similiar 6 year period.

Their calculations indicated average annual sales necessary to yield accumulated net profits after taxes at the end of 6 years of $500,000, amount to $1,470,000 or $8,820,000 over 6 years.

Enquiries for further details on this forgiven loan plan should be channelled through the Lakehead Industrial Commission office or the Northwestern Ontario Development Council.

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PROGRESS

In the years 1964-5-6 the value of new industrial establishments in Ontario amounted to $639 million, whereas the comparable value of new expansions of existing industry was $1176 million or 84% higher!

Which stresses the contention that our expansion strength or potential in the Lakehead lies within our present industry.

MINING

Considerable interest was generated with the announcement November 2 that the Rabbit Mountain Silver Mines, 25 miles southwest of the Lakehead was being reactivated.

This is the first tangible result of long investigations leading to the rediscovery of workable silver deposits in our area. Great Lakes Silver Mines has taken over the property and Oja Ltd., Exploration Management are supervising the dewatering of the mine and will resample ore in the lower stopes, preparatory to recommending further development.

Other mines in the Lakehead area are continuing quiet exploratory work, outlining ore deposits of nickel, zinc, copper, platinum. It is hoped these investigations will prove successful.

A REMINDER

Tariff reductions negotiated during the Kennedy Round are to be completed by January 1, 1972 and will be introduced by installments, commencing, in some cases, on January 1, 1968.

Manufacturers and exporters should be preparing for some rather startling changes in export-import flow.

STATISTICS

Retail Sales (1966)	Lakehead	$136.3 Million
(1966)	Thunder Bay	$168.9 Million

Taxpayer (1965) Lakehead

Total	36,720
Total Income	$182,100,000
Average Income	$4,958
Total Tax	$19,500,000

UNEMPLOYMENT

	Oct 31/67	Sept 30/67			
Fort William Office	1264	1147	+	117	10.2%
Port Arthur Office	2095	1875	+	220	11.6%
	3359	3022	+	337	11.1%

LAKEHEAD BUILDING PERMITS

10 months	1967	$19,133,025
10 months	1966	$17,267,357

Cheques Cashed Against Individual Accounts at Lakehead Clearing Houses

First 7 months (thousands of dollars)

1967	-	$844,891	
1966	-	753,657	
Increase		$ 91,234	12.1%