The fur trade continued to be an important factor in the economy of the Territories. During the year ended June 30, 1945, a total catch of 258,931 pelts having a value of \$1,743,710 was reported. The trapping of fine furs is the chief occupation of most of the native population and hunting and trapping in the Territories is restricted mainly to natives and to half-breeds living the life of natives.

A recent development has been the establishment of a service to protect forests and wild life in the Mackenzie district, with headquarters at Fort Smith. During. 1946, progress was made in the development of this service, including the establishment of districts assigned to wardens for regular patrols. Orders were placed for fire-fighting equipment, including forest patrol boats, and delivery of some equipment was made during the year. Forests provide valuable cover for game and fur-bearing animals, and it is hoped that field investigations under way will determine the action required to restore to normal the wild life in the Mackenzie District.

The 1946 Eastern Arctic Patrol of medical centres, police detachments, radio stations, trading posts, and missions in the Canadian Eastern Arctic was carried out on R.M.S. *Nascopie* from Montreal, Que. Natives were examined at all ports of call by medical officers accompanying the patrol. These examinations included chest X-ray of approximately 1,500 Eskimos. Mail was distributed and accepted and supplies were delivered. Building material for the erection of a scientific station at Baker Lake in the Keewatin District was transported from Southampton Island to Churchill, from which point it was delivered by schooner to its destination. The erection of the station is planned for 1947.

Yukon Territory.—Increased activity in both placer and quartz areas featured mining operations in Yukon Territory during 1946. Gold production from placer workings showed a substantial increase over that for 1945. Prospecting was extended over a wide area and the development of a new quartz mining field was commenced in the vicinity of Victoria Creek, near Carmacks.

The total production of gold in the Territory for 1946 was 47,023 fine oz. valued at \$1,728,095, as compared with a total of 31,721 fine oz. valued at \$1,221,258 in 1945. The greater part of this production came from placer mining operations in the Dawson District. The total value of mineral production in Yukon Territory to the end of 1946 has been estimated at \$242,799,469, of which gold accounted for \$213,876,939 and silver \$21,003,071.

The principal producers in the placer mining field were Yukon Consolidated Gold Corporation Limited, which operated six dredges in the Klondike area, and Clear Creek Placers Limited, which operated one dredge on Clear Creek, a tributary of the Stewart River. In addition, considerable gold was obtained from placer operations conducted on Shorty Creek in the Dezadeash Lake area, and on Burwash Creek, near Kluane Lake. Some gold was produced in the Mayo Mining District. Prospecting was also carried out in other areas, and at the close of 1946 a total length of 583 miles on various creeks and rivers was held under prospecting grants.

Quartz mining activity in the Territory was featured by a renewed interest in the Mayo Mining District. The Keno Hill Mining Company Limited, which, in 1945, acquired claims formerly owned by the Treadwell Yukon Corporation Limited, undertook considerable development work prior to commencing milling operations in 1947 Claims were opened up on Galena Hill, where a flotation mill at the Elsa mine is being rehabilitated. Operations also were undertaken on Keno Hill by the Yukon Northwest Exploration Limited.