

reason to believe that living conditions at the Labrador mines will be different from those in any other well-conducted mining camp in northern Canada. In all likelihood the personnel who will stay during the winter will be relatively small in number.

Transportation.—Access to the Labrador field has been gained, up to the present, entirely by aircraft. A subsidiary has been incorporated to operate 'Dakota' transports between the railway at Mont Joli on the south shore of the St. Lawrence and the Knob Lake Airport in the iron-ore field. Smaller aircraft are used to serve the parties of prospectors and geologists within the concessions.

All supplies and equipment, including trucks, drills and bulldozers, have been taken in by air. A winter road is being prepared to serve railway construction when it starts.

A railway location 350 miles in length has been surveyed from the port of Seven Islands to the main ore zone round Burnt Creek. Through the 100 miles of rugged ground facing the St. Lawrence the location follows the Moisie River and its tributaries. The remainder of the route is over comparatively flat country at an elevation of 1,500 to 1,800 feet and presents no special difficulties. Throughout the whole route good grades have been established, so that long trains can be hauled and the cost of haulage kept at a minimum.

The port of Seven Islands offers a good site for ore docks and storage facilities. A long period of navigation is assured and, if year-round shipment is required, it can possibly be arranged with the aid of an ice-breaker. Facilities will be provided at Seven Islands to grade the ore before putting it aboard ship and to stockpile it as required to give flexibility to rail and water shipments.

Another subsidiary company has been incorporated to hold the railway charter granted to construct the railway, port and other facilities, and to operate the system.

Power.—There are several potential power sites within convenient reach of the ore zone, capable of ensuring adequate low-cost power, a factor of considerable advantage. The most convenient power is at Eaton Canyon on the Kaniapiskau River, 25 miles from the Eclipse, the most northerly drilled deposit at June, 1949. This is a naturally advantageous site where a maximum of 500,000 h.p. can be developed in stages as required. A subsidiary company has been incorporated in Quebec for such power development.

Grand Falls on the Hamilton River, with a potential capacity of 1,250,000 h.p., is on the Labrador concession. This site is capable of supplying sufficient low-cost power for the operation of electric-smelting plants, should their construction be considered advisable later on for the reduction of iron and other base-metal ores.

Royalties and Taxes.—Agreements were made between the exploration companies and the Quebec and Newfoundland Governments specifying the royalties to be paid. The Newfoundland agreement calls for royalty payments of 5 p.c. of the net profits and the Quebec agreement for from 4 to 7 p.c. of the net profit on a sliding scale and \$100,000 annual rental. The respective Governments have agreed that taxes will be set at similarly moderate rates.

Markets.—While an ample supply of Labrador ores will always be held available for Canadian furnaces, the owners consider that the most important prospective market is the area now served by Lake Superior ores at and through the Great Lakes ports, largely in Pennsylvania, Indiana and Illinois. This area could be served most economically through the proposed St. Lawrence Deep Waterway—