

Eldorado Aviation Limited

69. When the Port Radium mine was re-opened in 1942, Eldorado was dependent upon commercial aviation companies for air transportation. However, in 1944 the Company acquired its own aircraft to assist in the field exploration program which was undertaken commencing in that year. By that time, the dependence of the company on commercial carriers was proving increasingly unsatisfactory as the volume of traffic increased, and it became advantageous to use the company's own aircraft for the movement of personnel, perishables and emergency supplies to the mining operation at Port Radium.

70. With the inception of the Beaverlodge operation, the division was expanded and a regular schedule of service to the mine was commenced. In 1953, after discussions with the air transport board, it was decided to incorporate the division as a separate company—Eldorado Aviation Limited. The company holds a Class 5 licence from the air transport board which permits it to provide air services at cost under contracts with the parent company, Eldorado Mining and Refining Limited, and with Eldorado's other wholly-owned subsidiary, Northern Transportation Company Limited. These services include not only the northbound and southbound movement of personnel and supplies but also the southbound movement of mine concentrates. Eldorado Aviation Limited is not a common carrier. As of December 31st, 1960, the company's equipment consisted of a DC-3, a DC-4 and an S-55 Helicopter.

71. A complete history of the development and performance of Eldorado Aviation Limited is given in appendix K.

Northern Transportation Company Limited

72. Northern Transportation Company Limited is a wholly-owned subsidiary of Eldorado Mining and Refining Limited operating a water transportation service as a common carrier in the MacKenzie river watershed. The company also operates a sealift in the west central arctic to provide service to a large number of D.E.W. Line sites.

73. At the present time the company handles about 70% of all waterborne freight moving over the MacKenzie system. Approximately 26% of freight carried is for the parent company and the balance for other shippers. Operating under the jurisdiction of the board of transport commissioners the company must file tariffs with that board which has complete jurisdiction over all rates. In other words, we are subject to their scrutiny at all times.

74. Apart from the Arctic operation the total distance over which the company's fleet operates is approximately 2,400 miles in areas lying between the 56th and 70th latitudes.

75. The volume of freight available to the company, considering the distances involved, and the variety of the equipment required, is not large. Moreover, the movement of freight is largely northbound and a problem exists in economically providing for the necessary frequency of service without a rather more prodigal use of equipment than would otherwise be the case. The company has reduced its freight rates several times during the years 1950 to 1956, a period in which freight rates generally were rising sharply.

76. The total investment in capital equipment stands at \$12.5 million, all of which has been financed without resort to borrowing.

77. Due to a permanent loss of cargo resulting from the shutdown of mining operations in the area serviced and because of increasing competition of trucking operations from Edmonton to Yellowknife, the company faces a