which were first investigated in the nineteenth centry. Continuing exploration revealed the presence of huge deposits of high-grade iron ore straddling the Quebec-Labrador border in the area of Knob Lake. In 1947, rapidly expanding markets for steel and the expectation of diminishing world reserves of iron ore resulted in a decision to bring the area into production. By 1954, when the mines came into production, a new town had been erected at Schefferville, Quebec; a major hydroelectric station had been built at Menihek Lake, Newfoundland; and a 565-kilometre, high-capacity railroad had been constructed between the mines and the port of Sept Îles.

During the 1950s, research into the refining of iron ore resulted in the development of new procedures allowing the utilization, through a process of enrichment, of lower-grade ores. These advances led to increasing interest in the immense deposits of low-grade iron ore in west central Labrador. In the mid-1960s, large new mines were established at Wabush and Labrador City. Since that time, the mines and pelletizing facilities at Labrador City have undergone several expansion programs so that, by the 1970s, more than half of Canada's output of iron ore was being produced in western Labrador.

Newfoundland, and more particularly Labrador, still contains large reserves of undeveloped mineral wealth. In addition, the hydro-carbon potential of the continental shelf surrounding the south and east coast of Newfoundland and Labrador has recently attracted considerable interest. This continental shelf covers an area of 932,000 square kilometres - more than twice the land area of the province. Active exploration began in 1965 and has been recently stepped up in response to rising oil prices, impending world shortages and interesting discoveries of natural gas in the Labrador Sea, Hopes for large-scale commercial production have been heightened by the discovery in 1979 of a deposit of high-quality crude oil on the southeastern Grand Banks.

Newfoundland is also rich in another form of energy — water power — with most of the electric energy consumed in the province being generated by the numerous swift flowing rivers and natural reservoirs that characterize the island. The availability of large quantities of electric power at low cost has encouraged the growth of energy-intensive industries such as pulp and paper, oil refining, and the electric reduction of phosphate ore.

While numerous hydroelectric developments took place on the island during the 1960s and 1970s, the most impressive was the development of the massive power potential on the Churchill River in central Labrador. The project, completed in 1974, was the largest construction project in Canadian history and was, at the time of its