

Mr. Harris also announced that all provinces except Ontario and Quebec have indicated agreement to enter new tax rental pacts with the Federal Government, and that Canada would seek new trade negotiations with Australia and may seek tariff changes on steel, rubber and other products in world talks next Autumn.

The great majority of the tariff provisions were unchanged, although reductions were announced covering 15 items.

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MAJOR PROJECT LAUNCHED: The International Nickel Company of Canada, Limited, launched in 1956 a major project in Manitoba for the development of what is expected to become the world's second largest nickel mining operation, according to the annual report signed by John F. Thompson, Chairman of the Board, and Henry S. Wingate, President.

The Company is pushing with utmost speed the development of its new Manitoba project, which will include mining and processing operations. Tractor trains have begun to move over the frozen waterways and snow of northern Manitoba on a twenty-four hour a day schedule. Before the spring break-up, 30,000 tons of materials and equipment will have been transported from Thicket Portage, on the Canadian National Railways' Hudson Bay line, to the plant sites at Thompson and Moak Lake, which are 30 and 50 miles north. This centre of operations is located some 400 miles north of Winnipeg and 950 miles northwest of the Company's operations in the Sudbury District of Ontario.

The maximum number of men and machines will be put to work on the Manitoba properties in 1957. Winter tractor-train hauling is costly but the time saved is important to the Company and to nickel users.

A 30 mile branch rail line will be constructed from Sipiwesk, on the Canadian National Railways near Thicket Portage, to Thompson, named for the Chairman of the Board of the Company. Completion of the rail line is planned by the end of 1957. Some 4,000 tons of material are being moved by the contractors to several operating points set up along the proposed railroad.

During 1957 construction will begin also on a 22 mile Company-owned rail line between Thompson and Moak Lake. Plant sites have already been cleared, accommodations for construction workers have been set up, temporary shops and storage buildings have been erected, and work has started on roads and foundations for permanent structures.

Also in 1957, the Company will sink a production shaft at the Moak Lake mine to a depth of 2,280 feet and cut stations, and will do development work from the exploration shaft sunk in 1955. At the Thompson mine, two shafts will be sunk, a production shaft to a depth of 1,745 feet and a development shaft to a depth

of 1,535 feet. No surface mining at these properties is in contemplation.

Work is being scheduled with the objective of bringing the Thompson and Moak Lake mines and surface plants into production in 1960. Within twelve months thereafter, they should be operating at planned capacity. Thus almost fifteen years of effort will have been required from the time the exploration activities began in the Mystery-Moak Lakes area of northern Manitoba until the Company is able to bring the properties into production.

The joint announcement of December 5, 1956 by Premier Douglas Campbell of Manitoba and the Company disclosed that the development will involve an initial expenditure estimated at \$175,000,000. As presently projected, our initial capital investment in the Province of Manitoba, exclusive of expenses already incurred for exploration and preproduction items, will approximate \$115,000,000. This will include the cost of opening and developing the two new mines, Thompson and Moak Lake, constructing a concentrator, smelter, refinery and transportation facilities, as well as providing certain community installations in the town of Thompson, which is to be built to accommodate an initial population of 8,000.

The Manitoba Hydro-Electric Board will build a power plant at Grand Rapid on the Nelson River at an estimated cost of thirty-two to thirty-eight million dollars. It will have generating capacity to satisfy the power needs of the Company's new facilities as well as those of other industries that may develop in the area. The Company is assisting the Hydro in financing the power development by means of a twenty million dollar loan. During the construction period, the loan will bear interest at 2 per cent and thereafter will be converted into debentures repayable in four equal installments over a period of 20 years, the first three of which will bear interest at the rate of 4 per cent and the last at 4.5 per cent.

Subject to Parliamentary approval at Ottawa, the Canadian National Railways will spend for the new branch line from Sipiwesk to Thompson approximately \$5,000,000, including reimbursement of International Nickel for major construction in 1957. The cost of constructing dwelling units at the Thompson townsite for individual ownership will amount to approximately \$20,000,000, to be financed in the main by recognized lending institutions.

Discovery of the deposits in the Mystery-Moak Lakes area involved exploration expenditures by the Company in northern Manitoba alone of \$10,000,000 over a period of ten years. Much of the area covered had been prospected by others. The more important deposits offered no visible clues, but were first located by airborne geophysical instruments and later confirmed by surface geophysical methods. Many of these techniques were developed by the Company.