

Lesage Reveals Iron Plant Is Being Built In Quebec

QUEBEC (CP) — Premier Jean Lesage has announced Wabush Iron Ore Company has started construction of its pelletizing plant at Pointe Noire, Que.

The plant will use ore from Labrador and Newfoundland. Premier Smallwood had said earlier this year he wanted the plant built in Labrador territory.

Mr. Lesage, rising to speak just before the legislature proposed, said that many questions had been asked about the site of the plant.

"Mr. Speaker, Wabush Iron Ore Company has started construction at Pointe Noire."

The site is on the lower St. Lawrence north shore, near Sept-Îles, 35 miles southeast of Quebec City.

SPLIT ON SITE

The site of the plant has been a source of conflict between the two premiers since Wabush announced last fall it wanted to locate at Pointe Noire.

The controversy that followed only added fuel to several other sore points between the two leaders over development of Labrador's rich power resources.

The two provinces are also inheritors of an historic dispute over the Labrador-Quebec boundary line which was set by a Privy Council decision, but which has proven impossible to mark on the ground.

British-Newfoundland Corporation, agents of the Newfoundland government, own 80

per cent of the Hamilton Falls development.

Brinco officials declined to comment on Mr. Lesage's statement that Hydro-Quebec would buy all Hamilton Falls power not required by Newfoundland.

"We need time to think about this," the spokesman said.

Mr. Smallwood said two months ago he expects the Hamilton development would get under way within one year. Hamilton's potential would take 10 years to complete, employ 5,000 men, and cost \$1,500,000,000.

The Hamilton River basin country, wild and mostly uninhabited 10 years ago, is being rapidly, and now has 150 miles of roads, two commercial airports, two hydro-electric plants, two mining towns and a rail connection to the north shore of the St. Lawrence River.

as under way—presumably to counter the outward flow of dollars. Any such move is bound to be reflected in Canada.

Domestically, there is some feeling that the traditional high-interest yield of Canadian securities in comparison with their United States counterparts has become too narrow in some instances and last week's sharp Canadian action may have been a catching-up process.

MAY AFFECT RATES

Additionally, the budget amendments, by increasing the current year's deficit, presumably means that the government will be coming to market for more money than was originally expected, with a further upward influence on interest rates.

The higher interest bond was shown in lower bids and consequently increased yields on treasury bills and in the Bank of Canada's lowering of its support in the bond market—bringing lower bond prices and consequent higher interest yields.

However, statistics for the week ending July 10 show purchases by the bank of \$28,400,000 in Government of Canada securities and uncompleted purchases of \$69,900,000, an unusually large amount. This has the effect of making more money available for loans by chartered banks and thus counters increasing interest tendencies—though to date the amount of money made available is rather less than the figures might indicate.

Further countering the higher interest trend, the bank's stability shows an increase in the money supply in the week ending July 3 of \$147,000,000 to \$15,124,000,000, and there are indications of substantial bond buying by the public.

On other fronts during the week, business was happy with the downward adjustments made in the budget's sales tax provisions, but still somewhat

unhappy with the provisions that remain.

EMPLOYMENT IMPROVES

The Canadian Association of Purchasing Agents says its June survey of manufacturing and processing companies revealed a continuation of the increased activity reported for May. Production, new orders and employment showed marked improvement while inventories again remained stable. Steel plate was the only item reported in short supply.

Two major bridge building projects are envisaged, a \$30,000,000 for a \$35,000,000 bridge across the St. Lawrence on the outskirts of Quebec, 700 feet upstream from the present famous Quebec bridge. The Halifax-Dartmouth Bridge Commission recommends a two additional bridges in the Halifax area at a cost of more than \$5,000,000.

Anacostia American Brass Ltd. of Butte, Mont., has taken a three-year option on 1,000 acres at New Horton, N.B. (between Fundy National Park and Moncton), stating that samples indicate "the highest grade of copper and a good percentage of silver."

Acadia Fisheries Ltd. will build a \$1,000,000 fish plant at Canso, N.S. which is expected to employ 750 people.

Volkswagen Canada Ltd. says it expects to spend \$7,000,000 in Canada on parts and materials this year, compared with \$6,000,000 last year. Major items include steel, sheet metal, aluminum and magnesium alloy, plywood, tires, spark plugs and sealed beam units.

YANK-SOVIET AGRICULTURISTS MEET

Farm Leader Dies In H.H.A.

OTTAWA (CP) — Dr. H. H. Hannam, 64, spokesman for Canadian farmers for more than a quarter of a century and a founding figure in international farm organization, died at his home here Friday night.

He was an executive of the Canadian Federation of Agriculture at its formation in 1935 and president and managing director from 1940 to his death.

As such, he was regarded as the principal spokesman for farmers in relations with the federal government.

In 1943 he participated in the formation of the Food and Agriculture Organization of the United Nations following a conference called by President Roosevelt at Hot Springs, Va.

FORMED IFAP

With British and United States farm leaders, he helped establish the International Federation of Agricultural Producers in 1945. He was IFAP president for two years and retired last year as an executive of the organization.

Mr. Hannam was in failing health recently. He was born in Swinton Park, Grey county, Ontario, and graduated from the Ontario Agricultural College at Guelph in 1922.

A brother, R. W. Hannam, and a sister, Mrs. Charles Morrison, live in Guelph, and a sister, Kathleen Hannam, lives in Toronto.

Orville Freeman, U.S. secretary of agriculture, shakes hands with Ivan Volvchenko, right, Soviet agriculture minister, on arriving at Moscow's Sheremetevo Airport. Joining in the greeting is U.S. Ambassador Foy D. Kohler, center. Behind the group is Averell Harriman, under-secretary of state who landed at the airport a few minutes earlier for the new East-West nuclear test ban talks. Freeman will tour Soviet farms and agriculture centers. (AP Wirephoto)

Five Are Dead In Plane Crash

CARMACKS, Y.T. (CP) — Four RCMP officers and a civilian were killed Saturday night when a Beaver aircraft crashed and burned on the outskirts of this community.

The RCMP officers were members of the sub-division at Whitehorse, Y.T. The civilian was reported to be a prisoner being taken to Whitehorse. No names were released.

Details of the crash were sketchy but a hotel owner in this community, 200, who did not wish his name used, said the plane crashed while attempting to land on the Yukon River. He said the plane caught fire and burned.

The wreckage was about 400 yards from the nearest buildings in Carmacks, 1,100 miles northwest of Edmonton.

Telephone communications in the area were cut when the plane tore through several telephone lines.

The RCMP aircraft was on a 145-mile flight from Mayo to Carmacks.

Cattle Prices Are Released

Cattle prices furnished by the P.E.I. Beef Producers Association are as follows:

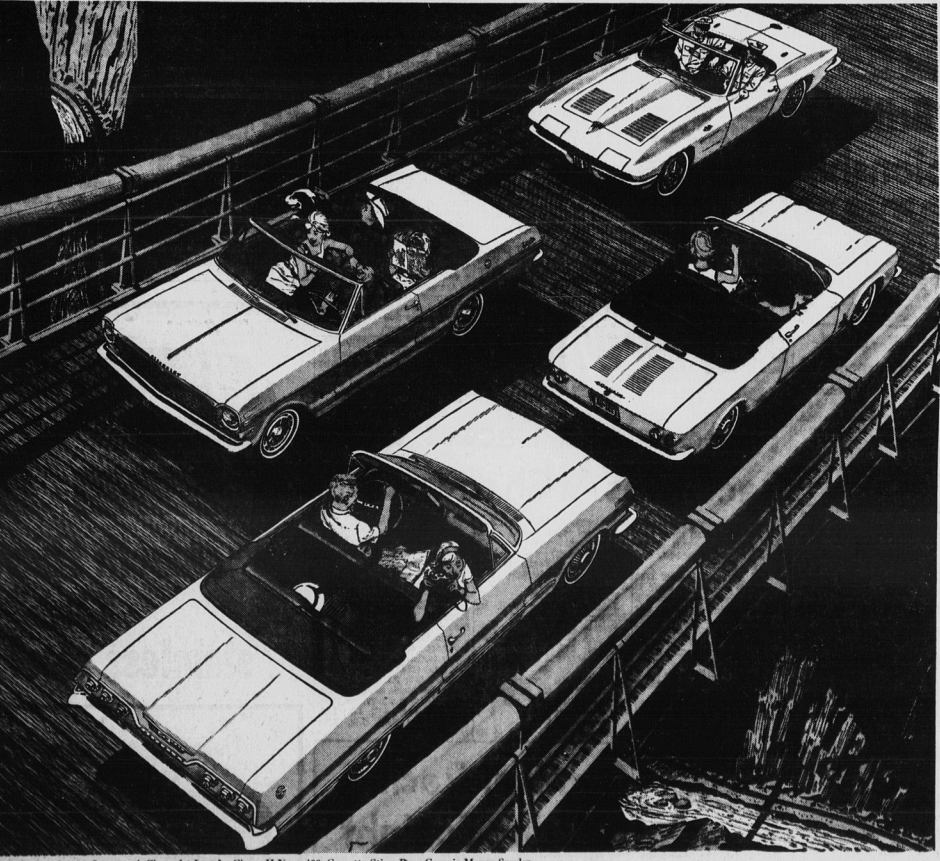
At Montreal choice steers were bringing last week \$25.25 to \$26.75; Good \$24.25 to \$25.00, Medium \$22.25 to \$24.00.

At Winnipeg, Choice steers \$25.50 to \$26.50; Good to \$24.00 to \$25.00; medium \$22.00 to \$24.00.

At Toronto, Choice \$26.00 to \$27.00; Good \$23 to \$26.00 medium \$23.50 to \$25.00.

LABEL IS CRUEL

BANFF, Alta. (CP) — "Accident prone" is a cruel label for a person, Miss Lollita Wilson, professor of psychology at the University of Alberta, told the all industry's annual technical and safety seminar. She said it can "do a lot of damage."



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