The legacy of the rail lives on, but could it be built today?

*Donna Yoshimatsu is Vice-president of Labrador Iron Mines Holdings Limited, Toronto.

By Donna Yoshimatsu*

History is witness that the people who built the foundation for Canada's iron ore industry back in 1950 faced near insurmountable odds that would have stymied even the most ambitious industrialist today. Among the likes of Timmins, Hollinger, Humphrey, movers and shakers of mining empires, sprung generations of entrepreneurs in search of a piece of history, drawn to the biggest railroad building project the continent had seen in half a century — the Quebec North Shore & Labrador Railway (QNS&L).

But can we say with unequivocal certainty that, given the same set of circumstances and pioneering drive today, these great visionaries could have replicated the successful execution of a $300-million railway project (1950 dollars) to transport the ore to tidewater 350 miles away? Even then, in George Humphrey's estimation, formidable President of M.A. Hanna and solicited by Jules Timmins to fund the project, it would take the discovery of Witwatersrand proportions to justify the cost to get the ore out of such rugged wilderness terrain.

It goes without saying then, that faced with today's multi-level environmental and regulatory considerations, the railroad that linked the town later known as Schefferville with the shipping terminal facilities at what would become the largest seaport on the eastern seaboard of Sept-Iles, would be a non-starter.

As it so happened, on his first visit to the interior of Quebec/Newfoundland known as the Labrador Trough, Humphrey locked eyes on what A.P. Low in 1893 had described as a 'spectacular natural face of iron ore outcropping at the north end of Ruth Lake #3, the unmistakable bluish-grey hematite outcrops containing up to 69.7% iron. The tonnage implications of a 90-mile long, northwest trending zone was feasible by open-pit. Field programs subsequently uncovered numerous iron ore occurrences totalling over 400 million tons, the grade considerably higher than the average grade of ore produced at Minnesota's famed Mesabi Range.

A railway project so grand as to resemble Canadian Pacific's routing through the Rockies 60 years earlier was ambitious. The race was on — "Iron Ore by '54" was the new creed and for everyone involved; a force more compelling than a gold rush.

Like the pyramids of Egypt, timeless reminders of man's loftiest achievements, the railroad was assembled spike by spike, all-consuming, awe-inspiring. Back then it was only a question of cost and logistics, the natural barriers an ever-constant reminder — mountains of solid rock requiring at times half mile long tunnels, 19 bridges some 700 ft long and 155 ft high over rapids, 2 hydro generation plants and a 44,000 volt power transmission line — all justified by the immense potential of the ore bodies.

In 1951, construction of the 350-mile railway began, a logistic masterpiece with so many moving parts in at least a dozen starting points to keep up with the flow of men, equipment and supplies. In June 1953 alone, over $12 million flew into construction. In today's monetary terms, even assuming blasting and explosive permits were obtainable, it would conceivably take well over a billion dollars in capex and significantly more than three years to complete. Indeed, in those days, permitting was almost non-existent and socio-economic considerations were an afterthought.

At the town of Sept-Iles, what started out as temporary employee structures, was overtaken by entrepreneurs in a major expansion thrust seemingly overnight, spawning other major projects including the St. Lawrence Seaway.

They were times that targets were meant to be exceeded and by a long shot. The railway was completed one year ahead of schedule; over 2 million tons of iron ore were produced in the first year versus a target of 800,000 tons. In 1956 and two years ahead of target, 12 million tons had been mined. Canada gained its global reputation as a nation of abundant natural resources, the Labrador Trough region accounting for almost one-quarter of the world's iron ore production.

The 350-mile rail that was conceived for the purpose of transporting quality ore to the seaport has become an irreplaceable lifeline for the next generation of direct shipping iron ore miners in the Labrador Trough — including Labrador Iron Mines Holdings Limited which acquired eight of the remaining fifteen ore bodies, the first phase of production targeted to begin in 2010 — in today's regulatory environment is an essential starting point to secure a position in tomorrow's unprecedented global industrial growth. CMJ