

these iron areas in Labrador. We know that during the present session of Congress in the United States legislation is being brought before the House of Representatives to facilitate the passing of the St. Lawrence waterway project, designed for the purpose of deepening the canals leading from the St. Lawrence River into the Great Lakes, so that ships which carry 10,000-12,000 tons of cargo and draw 30 feet of water can navigate safely. We know that Canada is under control from the United States, that her finances are controlled from there, that her military policy is controlled from there, and that right at the present time the Canadian military authorities are making preparations for military emergencies. This high grade steel necessary for military purposes, as well as the high grade ore is obtainable in Labrador. If Canada could control the iron ore industry of North America she would be in a position to dictate terms to the USA, as America uses 100 million tons of iron ore annually.

In all this planning the hand of the United Kingdom is seen. We see the concessions given the Labrador Mining Company being changed to suit the purpose, and we see the financial terms of this Labrador agreement giving Newfoundland absolutely nothing. For instance, we find that this great waterpower in Labrador is handed over to the Labrador Mining Company for nothing — its development ultimately would bring Newfoundland only 15.75 cents per developed horsepower, whilst similar projects in the Province of Quebec pay to the Quebec government not less than \$1 per horsepower, and in this instance the Quebec Labrador pays in rental to the Quebec government \$100,000 a year gratis. Let me point out that the hydro-electric development at Deer Lake in the Humber area does not pay anything in the way of royalties to the Newfoundland treasury. On the other hand, the Buchans mining company is paying the Bowater company at the rate of \$4 per horsepower for the necessary electric energy to operate their industry, and that the Buchans mining company pay all told to the Corner Brook company almost \$50,000 yearly for electric power. In view of this experience, are we, as a people, justified in standing idly by and permitting the Commission government to sabotage our assets in this respect, whilst they are at the same time hand in

glove with outsiders to take away the control of our country and hand it over to Canada?

Mr. Chairman, I have repeatedly stated that the only interest from an economic standpoint that Canada has in Newfoundland is to obtain by either fair means or foul our Labrador possession. Proof of this statement has been frequently given by both Premier Duplessis of Quebec, and former Premier Godbout of the same province. When I brought this matter up sometime ago, Mr. Smallwood got up and abused Premier Duplessis. He termed him a Nazi and a Fascist, and I don't know what else. Well I have just come from Canada, and I venture the opinion that the provincial election in Quebec will return Duplessis by a larger majority than ever, and that there is a great probability of the reform of the Liberal party in Ottawa. Prime Minister King is about to retire, and his successor is very difficult to find. I predict that you will find in 18 months or two years another leader of the federal opposition in Ottawa, and I think Colonel George Drew will head the Conservative party, and together with Duplessis will lead the party at the next general election. Mr. Smallwood laughs and thinks he knows all about it!

During the past year the Quebec government has issued an official map of that province showing the entire Labrador, including the 110,000 square miles of Newfoundland territory, as part of the Province of Quebec. Quebec has been disappointed ever since the judgement of the Privy Council in 1927 gave Newfoundland this particular territory. They are disgruntled because they did not avail of the opportunity given them in 1925 by our Monroe government. I think Mr. Smallwood said that no efforts were made, but I know that Prime Minister Monroe, Sir John Bennett, Mr. Justice Higgins, and Mr. Patrick McGrath went to Quebec as representatives of Newfoundland, to try to settle it out of court as it were; and if my memory serves me right — if I see Mr. Monroe tomorrow I will ask him — they offered to settle with the Quebec government that they could take the Labrador, and we would only retain our fishing rights on it, and Quebec would pay the Newfoundland government \$15 million. **Mr. Smallwood** \$10 million.

**Mr. Cashin** Well, that's worse. Quebec thought they had the case sewed up. They have been sore ever since. One of the greatest crimes in this