

with \$1 million operating loss?... We have not got the whole story on Gander, it is just as well to face it. We have written in our report all we may fairly write, because there is not a fact in it that is not a fact, but all the facts are not there.

Mr. Higgins I would like to ask Mr. Smallwood — not meaning to be personal, it strikes me it is very fortunate that he has not jet propulsion or we would have a job to hold him — I would like to ask him to explain where he gets the authority for the statement that the operating costs will be repaid and that it will be retroactive.

Mr. Smallwood Mr. Neill said he had recently written a very strongly worded letter, "as strongly as any one of you would word it. I have just written that letter to the British government." In view of that, I am expecting an announcement before this Convention closes to the effect that the British government has generously agreed to relieve the Newfoundland people of that burden. And I believe it will be retroactive. From April 1 in my belief, the cost of the losses of operating Gander will not have cost the Newfoundland people anything and the people of Gander who are demanding increases in pay should not be blocked in getting them.

Mr. Hollett On page 4 of the report, "Mr. Neill, the Commissioner for Public Utilities, was asked why the Commission of Government had made this decision. His reply was that it was because Newfoundland was a member of the Provisional International Civil Aviation Organization (PICAO) which organisation decided that Gander should be kept open by Newfoundland." Where did you get the idea that the Government of Newfoundland decided it should be kept open? On page 1 it says the British government paid five-sixths of the cost of the airport and paid \$100,000 a year operating expenses prior to the war; the British government surely had some equity there, how has the equity been liquidated, or has it?

Mr. Smallwood PICAO is the name of the group of nations interested in civil aviation — Canada, United States, Great Britain and Newfoundland are members of PICAO. I intended to find out whether Newfoundland has a vote in it. As to the equity, it was understood and agreed from the beginning that the British government would build Gander at their expense up to five-sixths of the cost. One-sixth of the cost to be

borne by Newfoundland, but the ownership of the airport was to be Newfoundland's. I do not think they had any equity, or have now.

Mr. Ballam I would like to ask Mr. Smallwood if he knows anything about a meeting that was held by this PICAO in Chicago. I think such a meeting was held and one of our commissioners was present. That may have been at the same time this transaction was on. There is no mention in the report about it.

Mr. Smallwood The Chicago meeting was the one at which the dispute occurred between Canada, United States and Great Britain; Newfoundland had very little part in that, except to listen. I believe PICAO is the subsequent development of the Chicago conference. It was at that conference that the 1st, 2nd, 3rd, 4th and 5th freedoms were enunciated — the right to fly over territory, right to land passengers, right to pick up passengers. They have had conferences since and have sub-committees meeting from time to time. There was one recently in Ireland. Squadron Leader McGrath attended that, but he was merely a technical observer in the British delegation. No one attended as a full-fledged representative of Newfoundland. Very few men attended who had more technical knowledge than Squadron Leader McGrath, but he was not representing Newfoundland.

Mr. Ballam It was pointed out that Newfoundland was a member of PICAO and PICAO decided Newfoundland should operate the Gander. We do not have sufficient information on it and I think the Committee should go into it. If we could get the information on that, we might be getting at the root of the trouble.

Mr. Northcott You must remember that it was PICAO or the Commission of Government who made the deal, not the Committee. The Committee has opposed it every step of the way. I would say that if the Committee had to make the deal the mark-up would be \$1 million profit.

Mr. Higgins What would be the landing charges made by airports outside?

Mr. Smallwood It would be simple for the Committee to have gotten landing charges in various airports around the world. The Committee did not do that. Landing charges in airports in any other part of the world are immaterial and have nothing whatever to do with charges in Gander. Gander is the only airport in the world