

Commissioners, were legally and morally bound under their own agreement to return this country to the people intact when she became self-supporting. But as it is, she can never give us back our country as it was when she took it from our control. It is no longer the Newfoundland of 1933. It is now a country with which we will be forced to share ownership with Canada and the United States. And so it is, Mr. Chairman, that a foreign flag flies over our country today, and a part of Newfoundland is no longer Newfoundland. Viewing the matter from a purely financial angle, a survey of the situation shows that because of the wage-cutting policy of the Commission government, our Newfoundland workmen were deprived of at least an additional \$20 million or \$25 million in earnings....

There were several notes I took during the debate in connection with the Economic Report and on which I did not prepare any set speech. I will try to the best of my ability to answer the questions asked. The first one was asked by Mr. Northcott. I was not here that afternoon, but I understand it was how much gasoline comes into Lewisporte, lands at Gander and on which no duty is paid. I think it is 10-12 million gallons. If we got one cent a gallon on it, it would mean \$120,000.

Mr. Burry asked what authority we had for the forecasts regarding this development on the Labrador. In reply, I would say we understand there is a piece of legislation, which has received its first or second reading, whereby a railway is to be built by the Labrador Mining Company from the St. Lawrence River right into this mine; 150 miles of this territory is Newfoundland's, and the balance is Canadian. This piece of legislation is in the course of being adopted or negotiated with the Commission of Government. In connection with this 350 miles of railway, if my estimates are worth anything, it will cost that company in docks, loading piers and rolling stock, something around \$100 million. I saw Mr. Timmins, President of the Labrador Mining Company, and he told me that this railway and docks would cost in the vicinity of \$65 million. Half this railway is to be built in Newfoundland territory and considerable labour will be given our people.... Mr. Timmins would not be interested in speculating such vast amounts of money

if he did not think there were some prospects of returns. The development started in 1935 by Mr. McKay, and it was later handed over to the Hollinger interests and Hanna interests of Cleveland.

Prior to becoming interested in this development, these interests checked the reserves of iron ore in the Mesabi Range and I was told that from their investigation they felt that high grade ore on the Mesabi Range would be depleted within ten years, consequently they were taking no chances. Mr. Timmins told me that he felt that within ten years ten million tons of iron ore would be produced annually. The big steel mills in the United States consume 100 million tons of ore annually. When the Mesabi Range is closed out there is only one place. The Labrador Company's property is good. Everyone is optimistic about it, and we find stock which went on the market at \$1 is now selling up to \$8 and \$9. There must be something to it. I have great faith in Labrador, and I think it is our greatest potential asset. In preparing this report in connection with Labrador we were conservative. Within ten years Labrador mineral deposits should be able to pay off the national debt of Newfoundland.

In connection with the timber areas on the Labrador, when we went into the Forestry Report¹ there was some question about the amount of timber available for pulp and paper. Mr. Burry was rather dubious as to the estimates of 50 million cords on the Labrador. Finally we brought in a supplementary report after we had had an interview with the General Manager of Bowaters, and in the Hamilton-Melville area alone there was shown to be 25 million cords. I realise timber in Labrador is difficult to transport as navigation is open only four months a year; but I am confident that within the next five or ten years the forest areas of North America will become depleted, even in Quebec. Then there will be only one place to go, and that is Labrador. That is why we discussed the possibility of a mill on the southwest coast. I discussed that matter with the General Manager of Bowaters — they were not interested at the present time, but the newsprint industry is now flourishing, they cannot meet the demand, they have contracts signed for the next ten years.... There is 150,000 horsepower in Bay D'Espoir which can be developed fairly reasonably. Consequently, we felt that in

¹Volume II:56.