

Newfoundland

On section 31 (d).

Mr. Timmins: Having regard to the international feature of Gander airport, may I ask if it is on a self-sustaining basis, or whether we are letting ourselves in for any amount of expense in that connection?

Mr. Chevrier: Without going into detail, the best information I have is that Gander is a tremendous project, and that it is not self-supporting. It offers great advantages, from an international standpoint. When we take it over perhaps we may have to operate it at a loss; but what the figures will be, I am not in a position to say at the present time.

Section 31 (d) agreed to.

On section 31 (e).

Mr. MacNicol: Mr. Chairman, a few days ago I read in a newspaper an item advising that the only shoe factory in Newfoundland is going to close its doors—or has closed, I have forgotten which. In any event the article pointed out that sixty employees would be thrown out of employment. I would suggest to the minister who has the required authority that he should try to keep that shoe factory in operation. I fully realize that with the duties removed they will find it difficult to compete with the big shoe factories of Quebec and Ontario. I believe however that something should be done to protect those employees who own their own homes and who have families.

I am not sure what procedure would be taken. However, in time other business will develop which undoubtedly would take care of those who may be laid off. In the present instance however criticism is appearing in the press because of the laying off of these people, and I would draw the attention of the government particularly to this shoe business in Newfoundland. If necessary some effort should be made to give them orders for boots and shoes for the troops in order that they may continue in operation until the necessary adjustment takes place.

Mr. Howe: I am familiar with the situation, as I looked into it when I was in Newfoundland last week. There are two shoe factories there. Three or four weeks ago one of them announced that they were going to close, but I am told that it is a matter of history that this factory closes every winter about this time. The other shoe factory has announced that it is going to specialize in a certain grade of footwear and expects to expand its operations.

I met both gentlemen. I congratulated the one upon his outlook and said that was the kind of industry Canada wanted to help. The other man came to see me and wanted

to know if I had any proposal to make. I said I had none and that I had no use for a man who closed his plant before anything had happened. We can help those who want to help themselves. If others wish to close up and take their profits, that is all right. In this case the plant was fully depreciated and I hope someone else will decide to pick up that business and go ahead with it.

Mr. MacNicol: That was not what I had in mind. What I had in mind was what I have read. The article said there was one plant; the minister says there are two. I do not know what plant the article referred to. This apparently comes under the right hon. gentleman and I would urge whoever has to do with this to keep the present plant in operation.

Mr. Howe: We are going to do that.

Mr. MacNicol: If a plant is closed, that is another matter. This plant should be kept in operation until adjustments take place all along the line. Perhaps they will get more orders in Canada; we do not know.

Mr. Coldwell: I understand that 75 per cent of the revenue in Newfoundland was obtained from customs duties; two and a half per cent from liquor; seven and a half per cent from income taxes; a total of 85 per cent from these three sources. I think it would be well to put on *Hansard* just what is really involved in the loss of this revenue. I suppose some liquor taxes will be retained, but I presume most of them were in the form of excise duties and therefore would be of national interest to them. It should be indicated whether the island will have to raise revenue from other sources or whether financial returns are being made for their entry into confederation. When people are trying to follow a debate right through in *Hansard*, that sort of thing should be on the record rather than hidden away among some documents. The Minister of Finance is not in his seat and it may be that this cannot be done at the moment, but I think it should be given possibly in the form of a table at some later date.

Mr. St. Laurent: I shall draw my hon. friend's observations to the attention of the Minister of Finance, who has been specially concerned with that aspect of the negotiations, and see if a short table cannot be prepared to be put on *Hansard*.

Section 31 (e) agreed to.

On section 31 (f)—*Defence*.

Mr. Hazen: Why is defence included in here when it is covered in section 91 of the British North America Act?