

tion in 25 yearly installments at 3½%. The income of the Corporation consists of two things: sale of time to broadcasters, and license fee received from the public on their receiving sets.*

By the end of 1945 the Corporation had increased its fixed assets from the original \$84,000 up to \$96,000, after paying the government \$30,000 on account of capital liability, and its current assets stood at \$75,000, of which \$68,000 was in cash.

We find the plans for the future are to build in St. John's a broadcasting house; in Corner Brook to increase VOWN from 250 to 1,000 watts and to erect a new building to house it; at Gander to take over and renovate the former RCAF radio station; at Grand Falls to erect a new 1,000 watt station.

You will find in the report a discussion of the question of free speech on the government station; and a discussion of the repeated request of VOCM¹ for the right to increase the power and install other stations as well.

The final section is the tourist business. You will find the report to be fairly comprehensive. The Committee reports of the pleasure it found on turning from the other three or four things on which a lot of public money is going to be lost, to something in which there seems an excellent prospect of getting money into the country in the shape of profits. The Committee has been impressed by what they have learned about the magnitude and value of tourist trade in North America and have wondered strongly what share our country can get of it. It has every possibility. I regard the tourist business as the most hopeful possibility economically before this country today.

Recapitulating the sections, the country is faced with annual operating loss on Gander of \$500,000 to \$1 million; on the Railway, \$1 million and up. A total of a \$2½-3 million loss on

operating just these two public utilities. We find the country is faced with the need to spend a lot of money on capital outlays.... Summing it up, we shall have to find between \$3.75 and \$4 million a year for the Railway, Gander and roads; and we shall have to spend around \$5 million on capital account on these three utilities within the next very few years.

That is a brief outline of the 140 odd pages of the six sections of this report. The understanding is we deal merely with Gander, and I suggest that the report be read section by section, with any gentleman wishing to intervene doing so.

[The section of the report dealing with Gander airport was read]²

Mr. Chairman I was hoping the members would interrupt Mr. Secretary while he was reading that report to take it up bit by bit, but they did not. I hope that we do not infer from that they do not intend to deal with it.

Mr. Higgins The entire operating loss that you estimate as \$500,000 to \$1 million, does that include the value of the landing fees or not?

Mr. Smallwood That's including all income....

Mr. Higgins According to that, the country has spent \$2.5 million for the airport, it pays out \$1 million for salaries and that is recoverable, our own people are getting the \$1 million back again, and all the other companies are paying \$1 million in salaries. By the way, you made a comment about why the plane companies were not approached to take over this airport themselves. Did your Committee discuss the feasibility of approaching the airlines on that matter?

Mr. Smallwood No. Airlines have got some kind of contractual agreement with the government, and for the Committee on Transportation to approach those airline companies and interfere in any way or degree in the question of landing fees would have been an inexcusable interference with the function of government. It was not our duty, or within the rights of this Convention to

*	1943	1944	1945
Station time sold	\$31,000	\$ 45,000	\$ 50,000
Licenses taken in	44,000	49,000	45,000
	\$82,000	\$103,000	\$112,000
Profit	\$15,000	\$ 11,000	\$ 26,000

¹VOCM, a privately owned and operated radio station in St. John's.

²Volume II:75.