

of its size, it is one which cannot be done without.... I say forget the landing charges and charge all the traffic will bear, without driving the traffic away.

Mr. Higgins Do you think it would have been feasible for the airlines to operate the airport at the start?

Mr. Smallwood Yes. They wanted to do that. I know that in February or March some people were down here from the States and held a number of conferences. That took place at Gander with the Commissioner, Mr. Neill, the Director, Squadron Leader Pattison, and a number of others. I may say, Mr. Chairman, as each session of that conference ended I knew within an hour exactly what happened at it, and I learned in that way a lot of information about Gander. I believe if the airlines were running Gander at their own expense today they would be paying much better wages than the Newfoundland government is paying....

Mr. Higgins Would Mr. Smallwood tell us if there is any possibility of making such a deal now?

Mr. Smallwood I don't know that. I would say the airlines would be very silly and simple if they did, seeing they are now getting a good airfield for nothing. The chance was there in the spring, but I don't know now.

Mr. Crosbie Those figures of wages, did you get these from the civil airlines in Gander?

Mr. Smallwood From Squadron Leader Pattison.

Mr. Crosbie Would he know these figures?

Mr. Smallwood Yes, he is Director of Civil Aviation. The wages paid in Gander are still pretty low. All the boys working with the airlines are boys who used to be down with the RAF, and former Newfoundlanders from the RAF and RCAF. They are employing Newfoundlanders wherever they can. The Americans are paying roughly \$1 million in wages, along with the oil companies and other employers.

Mr. Crosbie I am not quite content with that explanation. What I want to know is, did you get any actual figures from the four airlines operating in Gander?

Mr. Smallwood No, we did not.

Mr. Crosbie Well then, the figures are not worth the paper they are written on.

Mr. Higgins Mr. Chairman, can Mr. Small-

wood tell us did the Newfoundland government pay any fee to join PICAQ or not?

Mr. Smallwood I'm afraid I don't know.

Mr. Hollett Mr. Chairman, will Mr. Smallwood undertake to find out the countries represented on PICAQ at the time the decision was made that Newfoundland should operate Gander?

Mr. Smallwood I would undertake to recommend to the Committee on Transportation and Communications that they should try to find out. I think frankly that any further inquiries on Gander had better come from the Convention as a whole....

Mr. MacDonald As a member of this Transportation Committee I fully agree with all in this report, but with regard to Mr. Hollett's question as to who was on PICAQ and whether PICAQ did compel the Newfoundland government to purchase Gander, I would like to know where we are going to get that information. There is only one person I know of, the Commissioner of Public Utilities, and he has said that it was on the instructions of PICAQ that they had bought Gander. A little later he said that he had written to the British government saying that the Newfoundland government could not bear the expense of Gander.

Mr. Smallwood I don't think Mr. Neill said that PICAQ had instructed Newfoundland to purchase and operate Gander. I don't think that was quite the word. The word here is "decided" — that "PICAQ decided". Mr. Neill was asked why the Commission of Government had made this decision, and his reply was that Newfoundland was a member of PICAQ, which organisation decided that Gander should be kept open by Newfoundland. But Newfoundland could have disagreed, but rather than back out of that organisation altogether — to this Mr. Neill made no comment.

Mr. Job Newfoundland is not a member of PICAQ as far as I can make out. Newfoundland attended the PICAQ meeting in Chicago as part of the British delegation, it was not separate....

Mr. Cashin This million dollars.... Have they actually paid the million dollars over to Canada yet, and if so from what fund? Is it from the general revenue of the country this year, or from the surpluses that have accumulated?

Mr. Smallwood I am afraid I don't know. I