

which it was not suitable for us to belong.

Mr. Hickman I hope this report is not a forerunner of some more expenditure reports coming in. I would like to go a little further and, as Mr. Job just said, I think we should have refused to operate this airport. It should have been operated by the joint airlines, and we should have had a rental for it of at least \$500,000 a year. Instead we have a deficit estimated to run for at least five years, and only a slim hope of breaking even. I don't know what the expansion of aviation will be, but if it keeps on Gander may be by-passed, and Newfoundland will wind up with big deficits until it is finally decided to close it. How the government could make an agreement like that is beyond my comprehension. At the end of each statement it says that Mr. Neill has no comment. That is not satisfactory, but I don't see how he could make any comment after making the deal he did.... They were told what to do just the same as in the bases deal. The findings of this report, sir, are a disgrace.

Mr. Penney I want to compliment the members of the Transportation Committee for bringing in such a fine report, giving us the history of Gander and its operation. The subject has been clear to me ever since we had the privilege of having Hon. Mr. Neill with us for a meeting of the Finance Committee. In talking about the Gander airport operation at that time he told us it was running in the red to the tune of \$750,000 and the Newfoundland Railway \$1 million a year. I remarked it was not a very satisfactory picture. Mr. Neill remarked he hoped it would be better next year, and I answered that I was sure the people of Newfoundland hoped that it would be better next year. The overall picture I have from your report, read and explained, is that we are running in the red to the tune of \$500,000 a year on the operation of Gander airport. That operation, is chiefly for the convenience and benefit of the great powers of the world, and how Newfoundland came to be forced into a deal that would put our poor little country in that position, to finance an airport for the great powers of the world, I can't understand. It surely is not much credit to them. I think businessmen, if they were considering the future of Newfoundland, should consider the matter of leasing the airport to those great powers, so that Newfoundland would have

gotten at least something out of it for the use of its territory, and the people of Newfoundland should get something out of it also for its operation.

Mr. Fudge Mr. Chairman, I wish to call Mr. Smallwood's attention to page 2, the second paragraph, wherein he talks of a great number of trucks, etc. How is it, Mr. Smallwood, that you do not give us the exact number of trucks, equipment, etc.? How many buildings are there at Gander? What is the size? Have any of these buildings been leased, and to whom? And what rentals have been paid? Did you inquire into the cost of running the bakery, which I understand is operated by the government? Those are the things that we should have had in this report.

Mr. Smallwood In reply to Mr. Fudge, the report says that for the \$1 million that the government paid, they got the hangers and other erections the Canadians have put there, as well as whatever equipment they left there. This equipment consisted of a large number of trucks, cars, bulldozers, tractors, snow plows, etc. The report might go on to add at least 1,000 other items, because it is just beyond counting. I doubt whether a complete inventory has been made by the Division of Civil Aviation of the whole of the equipment. It is something staggering. I suppose in connection with blankets alone there were easily 50,000 blankets.... The report says that if the government had to buy all these buildings and equipment new it would mean an outlay of nothing less than \$5 million and probably much more. The buildings the Canadians put on Gander and the enlarging of the runways ran to \$25 million capital expenditure. The government of Newfoundland, for \$1 million, got the enlargements that had been made in the runways, the new hangers, and dozens of great barrack buildings, not counting the almost uncountable number of pieces of equipment of every conceivable description.... We can get the number of buildings, and we can get the blueprints. The number must run into a couple of hundred buildings. It is a vast airport. Mr. Fudge's third question was what buildings have been rented out. Some buildings have been rented to Goodyear and House...¹ The main question was what is the airport costing the country from the capital standpoint, and second, is the government going to make any money on it? The Newfoundland people have to

¹Roland Goodyear and A.J. House opened the Goodyear Humber Stores Ltd. in Gander in 1936/37.