

(Note: In this respect it was suggested that the claim for this reimbursement should be combined with similar claims in respect of other Departments and that the whole should be classed as representing the value of necessary capital improvements made by Newfoundland since the 29th of October 1947 on services to be taken over by the Government of Canada, which would otherwise have been the responsibility of Canada).

(ii) Maintenance of existing roads and construction of new roads within the airport area by the Federal Government.

(iii) The acquisition of land within the Airport area for the erection of Provincial schools and for the construction of Churches, etc.

(iv) The operation of Gander Hospital by the Provincial Government on the understanding that, subject to the payment of a fixed sum annually, an agreed number of beds therein will be placed at the disposal of the Federal Government in case of emergencies, etc.

(v) Fifth Freedom Traffic.

(vi) The opening up of Harmon Field Airport to regional traffic.

NEWFOUNDLAND RAILWAY

214. Consideration was given to a brief^r on the Newfoundland Railway prepared by the General Manager at the request of the delegation. It was the considered opinion that this brief was entirely too general in many respects and it was therefore decided to call in Mr. Russell immediately for further consideration. Upon the arrival of Mr. Russell, following a phone call from the Chairman, the brief was discussed in detail as follows:

PARA. 1. ADMINISTRATION

215. Mr. Russell was requested to submit a detailed memorandum setting forth every argument and reason he can produce in support of his assertion that the Management of the Railway should be kept at a high level authority with a Regional Manager reporting to Head Office, Montreal. Members informed him that they personally were prepared to accept this statement but that, in order to enable them to negotiate successfully in Ottawa, it was essential that they should be in full possession of all relevant facts so that they can justify and substantiate their demands.

PARA. 2. FREIGHT RATES

216. The possibility of inducing the Canadian Government to agree to the application of Canadian rail freight rates to Newfoundland coastal steamship operations was again considered. It was explained to Mr. Russell that the delegation was desirous of obtaining, if possible, freight rates for the Steamship Service which would enable people in areas served only by coastal steamers to obtain supplies as cheaply as those in areas along the railway. Mr. Russell undertook to consider this matter carefully and to submit his recommendations as to the demands which the delegation might reasonably make in this respect.

PARA. 2(A). MOVEMENT OF FREIGHT THROUGH NORTH SYDNEY

217. Mr. Russell was requested to elaborate upon the possibility of North Sydney becoming a bottleneck as a result of increased freight movements due to