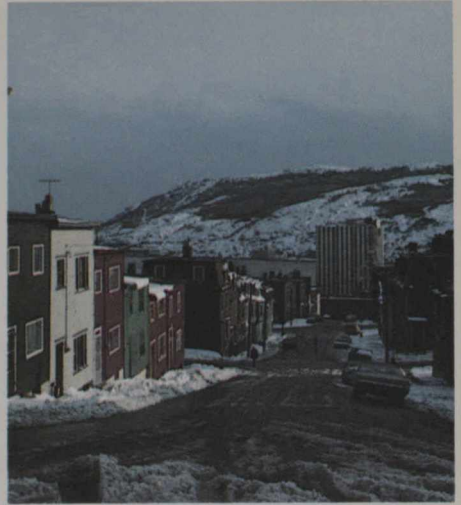




Almost twice the height of Niagara, Churchill Falls provides the energy for the largest hydro electric generator plant in the world, located underground.



St. John's was built on steep, rocky slopes rising up from the harbour. The brightly coloured buildings add to the city's considerable charm.

fruitful fishing ground in the world, it has been fished by fleets from Newfoundland, Europe and elsewhere since 1583.

Almost all of its 600,000 people live on the island, in St. John's, the capital, and in the outports, isolated fishing villages along the great bays. Until recently the outports were connected only by the sea, but a 550-mile semi-circular section of the Trans-Canada Highway now runs from St. John's in the southeast to Port-aux-Basques in the southwest.

The people have been in place a long time, and they speak a pleasant and distinct form of English with echoes of the Ireland, Cornwall and Scotland of long, long ago. To biver is to shiver; a bawn is a beach; and the light is duckish just before dark.

Through the centuries Newfoundland has been a difficult place for most of its hardy inhabitants, but they have always had beauty, charm, and an ability to survive. It now seems possible that Newfoundland may soon enter an era of prosperity.

Since Canada took jurisdiction over fishing in the waters 200 miles out in 1977, the Grand Banks has brought new income to the local fishermen. It may soon provide oil as well. In 1964, J.R. Smallwood, the first Premier, sent a scuba diver down to the Virgin Rocks, the shallowest part of the Banks, to deposit a plaque proclaiming Newfoundland's ownership. The federal government, however, does not agree that Newfoundland (or any other province) owns offshore oil and gas.

The Economy

The economy of Newfoundland has been in trouble for centuries. At the best of times in the 19th century, it supported a few families in relative

wealth—the “fishocracy”—but for most of the hardworking fishermen and their families, the next age of affluence, if it arrives, will be the first.

The island's lowest ebb came in 1934 when the fishing industry went bankrupt and, at the request of the Dominion's leaders, Great Britain took over administration of the government. During World War II the fisheries revived, and the Allied armed forces established bases and airports at Gander and Argentia, helping to bring better times. In 1949, under the persistent urging of Joey Smallwood, the Newfoundlanders voted to join the Canadian Confederation as the tenth province.

The infusion of Canadian medical care and economic assistance programs had immediate impact, and income and education levels began rising steadily. There were bumps along the road, however; a notable one was the concerted government effort to move people out of the outports into St. John's and to Canadianize the society. “I hated it here then,” Canon George Earle, Provost of Queen's College of Memorial University, said later. “I was tempted to leave. I didn't know where they were going and they didn't either.” When it became clear in the early 1970s that the outport people would not be moved, the government abandoned the notion and adopted a counter policy of preserving the traditions.

Oil

In the summer of 1979, after twenty years of unsuccessful drilling off Canada's east coast, oil was discovered at Hibernia, located 168 nautical miles southeast of St. John's, on the Grand Banks. A series of tests conducted last fall indicated a total producing capacity in excess of 20,000 barrels per day. Three more wells have since been drilled in the Avalon Basin.

It is hoped that production from the Hibernia structure could begin as early as 1985. Although it is too early to determine the reserve potential of the Basin, oil company officials have expressed