

many communities. Recovery was gradual but by 1929 Newfoundland was again enjoying a mild boom. Fish prices had recovered to higher levels than before the War. The opening of a new pulp and paper mill at Corner Brook in 1925 had led to considerable expansion on the west coast and tripled the export value of forest products. Although the Nova Scotia steel industry languished during the late 1920's, exports of iron ore to Germany and Holland and rising prices more than made good the loss so far as Bell Island was concerned. In 1928 the copper-zinc-lead mine at Buchans was brought into production. In 1930 total exports exceeded \$39,000,000 as compared with about \$19,100,000 in 1922. The economy remained nonetheless highly dependent on external markets.

Labrador.—The fishing grounds off the Labrador coast, which are a natural extension of those off the coast of Newfoundland, have been fished from Newfoundland from earliest times. For this reason the administration of Labrador was first entrusted in 1763 to the Governor of Newfoundland. However, in 1774, Labrador was transferred to Quebec by the Quebec Act, only to be re-transferred to Newfoundland in 1809.

The British North America (Seignorial Rights) Act of 1325 again transferred to Quebec the portion of the coast west of a line drawn due north from the Harbour of Anse Sablon, since Quebec fishermen plied this area of the coast. Generally speaking these various Acts were concerned primarily with jurisdiction over actual coastal areas, no attempt being made to define the inland boundaries of the area. The question of the exact location of the inland boundary between Labrador and Quebec was not raised until 1888, and no settlement was reached until 1927, after an agreed reference for arbitration to the Judicial Committee of the Privy Council.

In brief, Canada claimed that the "Coast of Labrador" as used in the various treaties, comprised, in its depth inland, "only so much of the land immediately abutting on the sea, above low-water mark, as was accessible and useful" to fishermen. Newfoundland claimed that the term included the area inland to the watershed of rivers draining eastward into the Atlantic.

The Judicial Committee found in the main in favour of Newfoundland's claim, ruling that the boundary was a line drawn due north from the Harbour of Anse Sablon as far as the fifty-second degree of north latitude, thence along that parallel to the River Romaine, and thence northward and westward to Cape Chidley along the crest of the watershed of rivers flowing into the Atlantic Ocean. Thus Newfoundland's sovereignty was confirmed over an area of approximately 110 square miles of Labrador.

Economic Collapse.—During the decade 1920-30 the Newfoundland Government had greatly extended its obligations. The Newfoundland Railway, after years of unsuccessful financing, was finally unable to carry on and in 1923 was taken over by the Government with all its subsidiary enterprises including coastal steamships.