

production of steel for munitions at Sydney will rise to a point at which upwards of a million tons of ore from Bell Island will be treated. It is also in contemplation, provided that shipping can be arranged, that a certain quantity of ore will be sent to Great Britain in excess of the quantity normally exported there in peace times.

3. Consultations have taken place with officials of the company in which the several possible methods of attack and the varying degrees of risk attached to these methods have been discussed. In regard to internal sabotage the Company is of opinion that the risk therefrom is not great. They are providing a number of watchmen at points of importance, a provision which in their opinion dispenses with the necessity of Government assistance.

4. The possibility of attack by an enemy surface raider or by an airplane flying from a raider cannot be excluded from consideration. The provision of land armament and personnel for defence against a raider would entail an outlay which it is thought is out of proportion to the risk. An aircraft patrol based on the seaplane base at Botwood, however, would materially help to guard against both these methods of attack.

5. The chief source of danger lies in an attack by a submarine rising to the surface and shelling the loading piers and the electrical transformer which supplies all the power to the mines. These are located on the south side of the island and are very much exposed to this form of attack. In addition, the loading piers are also situated on the south side and if a submarine sank a ship while loading at one of the piers export therefrom would be interfered with for an indefinite period. It is thought that the best defence against this danger lies in the establishment of two 4" guns and two searchlights at properly selected points on the south side of the island. The distance from this side of the island to the mainland varies from three to six miles and it is felt that a submarine aware of the existence of these defences would hesitate to rise to the surface.

6. The provision of this form of coastal defence, is, the Commission of Government consider, one for Government and not for private enterprise. Unfortunately in Newfoundland there are neither the guns nor the trained gun crews, nor the personnel to train the crews.

7. The Dominion Steel and Coal Corporation is one whose capital is held entirely outside of Newfoundland and, it is believed, almost entirely in Canada. The ore during the war will be going mainly to Canada and is a vital necessity to the operation at Sydney which is one of the greatest producers in Canada of steel for munitions purposes. The coastal defence of the island therefore appears to be of imperial importance and peculiarly of importance to the Dominion of Canada.

8. In view of all these circumstances the Commission of Government have felt that it would not be inappropriate to ascertain from the Government of the Dominion of Canada whether they would be prepared to make provision for this coastal defence of Bell Island by making available the necessary airplanes, guns, searchlights and crews for their operation.