

Future prosperity, as ever, will depend upon the level of export demand for the products of Newfoundland's basic industries. During the years 1940-48 greatly increased government revenues (over one-half of which were derived from customs duties) have permitted larger expenditures in the fields of education and social services, particularly in public health. There have also been substantial government expenditures on reconstruction and development schemes: these include extension and improvement of roads, wharves and breakwaters; services to fishermen and loans for the development of the fishing industry; housing, improved tele-communications and transportation, and agricultural assistance to both full and part-time farmers.

Labrador provides an imponderable factor in any consideration of Newfoundland's economic future. Its resources have not yet been thoroughly surveyed, but there are large deposits of high-grade hematite ore in the area bordering on Northern Quebec, huge water-power potentialities nearby at Grand Falls (which is much higher than Niagara), and substantial stands of timber. Commercial development of these within the predictable future now appears likely. The tourist industry, too may have possibilities of development both in Newfoundland and Labrador, especially with the growing use of air transport into their extensive game and fishing areas.

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