

did that \$4,800,000 come from? It came from the fishermen, the paper makers and forest workers and from the miners in Bell Island and Buchans by making the cost of living higher. That's what the local industries mean. I am far from satisfied with what this report shows, but I don't blame the Committee. It is one of the things that we have kept hidden in this country. I only know a few men, some in this house today, who are very much alive to the effect of the protective tariff. Here it says, "It can be clearly understood that the tariff in effect today is a revenue tariff." Who says it is?

**Mr. Hickman** The Committee disagrees with that.

**Mr. Smallwood** They have a perfect right to do so, just as I have a perfect right to disagree with the Committee. You can't say that our tariff in Newfoundland today is a protective tariff, or a revenue tariff, it is both, and the people pay it all. Every cent of it comes out of the fish and the paper and the minerals, and drives up the cost of living. Some day someone has got to get down to brass tacks and find out once and for all just how far these local industries are justified, just how far it pays the 315,000 of our population to have this protection on these local industries.

I believe in local industries. I would be a terrible fool if I did not, but what industries? I believe in the industries that are natural to the country, eg. fish.... We have the raw material right here, and it is only a matter of hauling it out of the water and curing it, tinning or bottling or freezing it. Let's encourage the industry in every way. What else is natural? Paper making, because we have the timber and the waterpower. Minerals, because we have the minerals. Furring, because we have the animals, and gaming because we have the game. These are the industries we ought to foster and protect.

You have it summed up magnificently by the Industrial Development Board, if I can anticipate just for a moment. "The local Industrial Board have done a fine job ... considered the possibility of making cement". That's all right because we have the raw material to make cement. They sent away samples and had them analysed and the report came back that it would make a first-class Portland cement. But why could they not go ahead with a cement industry? Because some of the raw materials are on one side of the island,

and the rest on the other side, and it would be too expensive to bring them together to manufacture them into cement. All you have to do is put a high tariff on imported cement. Make out the cost of bringing the raw materials together from east and west and the cost of manufacturing them, and it comes to \$5 a bag to produce it here in Newfoundland. Well, make the price \$5.60 for the imported cement by putting on a high tariff. If you can do it for other things why not do it for cement? Putting a protective tariff on an imported article makes it more expensive than the local article and drives up the cost of living. It was said by Major Cashin 20 years ago, and it is a wonderful thing how Major Cashin and I are growing to agree with each other, I hope to convert him before I am finished! Some day we have got to go into this question of our tariff, above all our protective tariff....

I don't want to say too much because the man who will stand up and express any doubt that these local factories are divinely blessed is likely to be hounded out of the island. I agree they are an imposition, and the people of the country will never live while these duties are on, and they have got to come off. I had better sit down before I say too much. I am not saying a word against Mr. Hickman's committee, or against him. The figures are not here, and the government have not got them. If they had a royal commission they would not get them. You can't blame the Committee for not bringing in information that the government has not got. I had to get this off my chest or burst.

**Mr. Higgins** Now that Mr. Smallwood has not completely burst, I want to make a comment that I am sure he will answer. I am a little upset about this unholy alliance of Mr. Smallwood and Major Cashin, but I suppose these things are bound to happen! The thing that puzzles me is that we have 30 manufacturers making returns, and in these concerns there are 2,300 employees. And if these are burned or closed down what would be the position of these employees of all those concerns? What would they do?

**Mr. Smallwood** Let us take any given article, say a microphone (a very favourite article of mine); say there is a factory manufacturing them in St. John's. The materials have to be imported, so the government puts a duty on the raw material used to make these microphones of say 30%, but