

understand that words do not affect me like that.
Mr. Fudge With reference to the market for our salt codfish, he was trying to fool or bluff the Canadian government.

Mr. Smallwood Point of order. I demand that Mr. Fudge withdraw that remark.

Mr. Chairman I do not think that is a fair inference, Mr. Fudge, but I must sustain you on the point that Mr. Smallwood did leave the impression that he was representing the optimistic, and therefore perhaps not the realistic view of the Newfoundland Railway. Beyond that you are not entitled to go.

Mr. Higgins Might I suggest that the quotation from Mr. Smallwood's speech be read?

[A recess was called to obtain the transcript. The Chairman read an extract from Mr. Smallwood's speech delivered on November 4, 1947]

Mr. Chairman The inference that I draw from the remarks I have just read is this: that the member for Bonavista Centre stated that the valuation of \$72 million was obtained from the Newfoundland Railway management and that he personally did not believe the Railway to be worth \$72 million; so that when the figure of \$72 million was handed over to the Ottawa delegation he was of the opinion that it was an inflated figure.

Mr. Higgins The inference I got from what Mr. Smallwood said was that Mr. Smallwood, myself and the other members of the delegation did give incorrect figures to the Canadian government. It is not true as far as I am concerned.

Mr. Smallwood What Mr. Higgins said was I had used the words "fooling the Canadian government". I asked him to withdraw that and he withdrew it. Now Mr. Fudge has repeated the statement and I ask him now to withdraw it.

Mr. Chairman I must sustain you on that. But in fairness to Mr. Higgins and to Mr. Fudge, I have to hold to my interpretation that you personally believed the figure of \$72 million, handed to the Canadian government, to be an inflated figure.

Mr. Smallwood That is correct. The Railway management was asked for an estimate of the value of the Railway and from that moment to this moment, I have never changed my mind. I did not think and I do not think the Railway to be worth \$72 million.... But the Ottawa delegation received it, passed it over to the Canadian govern-

ment, along with other figures about the Railway without a word of comment whatever.... At no time have I ever said we were trying to fool the Canadian government....

Mr. Chairman You have not made the statement here, and it is not a fair inference to draw that you were trying to fool the Canadian government.

Mr. Hollett I distinctly remember the speech made by our friend.

Mr. Chairman I read the extracts.

Mr. Hollett You read *an* extract. Mr. Smallwood spoke from two to three hours, and that matter came up more than once.

Mr. Chairman If you wish I shall adjourn the house until we get the full transcript.

Mr. Hollett I do not wish that. I do remember his saying, "We are not going to fool ourselves." However I am not concerned with what was said — I would like to ask if the information gathered from the Railway is in the possession of that delegation, in writing from the Railway management? Did Mr. Russell or Mr. Ryan submit the figure of \$72 million in writing, or how was it obtained?

Mr. Smallwood It was obtained by submitting to the Railway a typewritten list of questions. The Railway answered with typewritten replies, and these replies were handed to the secretariat of this Convention to be mimeographed and the mimeographed copies were supplied to the Government of Canada. I am 99.99% certain I now have in my possession the original replies given to the Ottawa delegation. They were given to me as secretary of the delegation — they all came to me.

Mr. Chairman By whom in the Railway was this information passed over?

Mr. Smallwood The procedure was this: there were seven members of the delegation; we broke down under various headings the information we wanted. Each member of the delegation was given so many kinds of information to get; he had to go to the various government departments and get certain information. Speaking from memory, I believe I am the one who collected the information on the Railway, as I did also on a number of other departments. Mr. Higgins had to do with everything pertaining to law courts; Mr. Ashbourne gathered the information on fishery and marine matters, and so on. At all events, I have