

of this pact it was provided that Canada would control and maintain all defense locations under the Canadian flag. What does this mean? It means that all military, naval and air bases in this country would be occupied by Canadian forces. It would mean that all Americans would be evacuated. It would mean that some \$3,500 or more Newfoundlanders now employed on the American bases would be in jeopardy of losing their jobs. It would mean that this country would be deprived of the very considerable amount of American dollars which are now being expended and circulated. Of course, such a set-up should be highly profitable to Canada, inasmuch as it would consist of her receiving a free gift, as it were: after all we have given them for nothing — the Torbay airport and the Goose Bay airport.

**Mr. Chairman** Major Cashin, the chamber is very warm, do you think that you would like a few minutes recess?

**Mr. Cashin** Just a minute, sir, I want to finish this American thing. I will sing out. Military and naval property and equipment to the value of hundreds of millions of dollars. I have no hesitation in saying, that if the people of this country, and in particular the delegates to this Convention, had been informed of the matters to which I have just alluded, there would never for a moment have been any consideration given or consent obtained to the sending of any delegation to Ottawa. It is worth noting that neither in the Black Books, nor in the Grey Book, nor in any of the so-called secret documents in the possession of the members of the Ottawa delegation, is there any evidence or any statement to show that this most important matter received any consideration by the delegation which went to Ottawa...

**Mr. Smallwood** Yes, we did.

**Mr. Cashin** Well, why is it not in the records?

**Mr. Smallwood** Ask Mr. Higgins.

**Mr. Cashin** Well, why is it not in these Grey Books, and the "Mourning Books" that is, the Black Books? I suppose up in Ottawa you were going to get away with it and it would not be brought up here. I am going to repeat that statement: it is worth noting, that neither in the Black Books, nor in the Grey Book, nor in any of the so-called secret documents in the possession of the members of the Ottawa delegation, is there any evidence or any statement to show that this

most important matter received any consideration by the delegation, or that they took any steps to bring the matter to the attention of the Canadian government. I regard such an omission as evidence of gross neglect and dereliction in their duty of protecting and safeguarding the interests of Newfoundland. But it would seem that as far as Ottawa is concerned, the rights of Newfoundland are of no importance whatever in this one-sided contract which they have sent to us. Why, Mr. Chairman, if there was nothing else of an adverse nature, I question whether we have not in this instance alone grounds, ample grounds, for condemning the Canadian proposals and washing our hands of the whole matter. Now, Mr. Chairman, if you want to.

**Mr. Chairman** If it is agreeable to members we will take a recess.

*[Short recess]*

**Mr. Cashin** Now Mr. Chairman, before I begin to refer in detail to Mr. Smallwood's proposed budget, let us see what is to happen to our accumulated surplus. This, according to Mr. Smallwood, would amount to somewhere in the vicinity of \$30 million. According to the Economic Report it was \$40 million, but it is \$38 million now, seeing that the Commission government has seen fit to do away with \$2 million. However, we will use Mr. Smallwood's figures and say the accumulated surplus is \$30 million. Nevertheless, we must remember that with the advances made to the Housing Corporation, with the inclusion of loans to various firms for the development of the fisheries, with balances owed by Great Britain in connection with her account for the operation of the Gander airport, together with other amounts owed for pensions, etc., our accumulated surplus today must be around \$38 million. However, as I said, we will use Mr. Smallwood's figure. Take page 3 of the Grey Book:<sup>1</sup>

(1) One-third of the surplus at the time of union shall be set aside during the first eight years of union, either in trust or on deposit with the Government of Canada at Newfoundland's option, withdrawable by the Newfoundland Government as required only for expenditures on current account in order to facilitate the maintenance and improvement of Newfoundland public services, any

<sup>1</sup>Volume II:512.