

they get that figure of \$72 million? I will tell you, in fact they say it here. What happened was this: the Ottawa delegation spent weeks before it went gathering information about Newfoundland, and amongst that was gathered information about the Railway, which it got from the manager. One of the things we knew they would want to know in Ottawa was, "What is your railway worth? What is the value of it?" So naturally we asked the manager to give us an inventory.... They gave us an estimate of \$72 million.... Remember we made Newfoundland out while we were in Ottawa to be sitting on top of the world, so we gave them the estimate of \$72 million that our Railway is worth, but let us not here fool ourselves. If a Railway has cost millions upon millions upon millions of dollars, taken from the public in taxes by the government, brought into the public exchequer and handed over to the Railway to meet their operating losses, millions upon millions of dollars to meet the operating losses year by year since we took over the Railway in 1923, and for two years before that, if we are paying their losses and they have come to many millions of dollars, let us not fool ourselves into thinking that our Railway is actually worth \$72 million in cash. I am afraid you would have a job to get anybody to pay that for the Railway, unless you would undertake to pay the operating loss. They might do it then for the sake of having the job of manager.

You say we have \$20 million worth of highroads. I happen to believe strongly in highroads, but when it takes a million a year to keep up those roads, just barely to keep them up, I am not willing to accept the figure of \$20 million as an asset against an actual public debt. And then they put in another \$10 million for public buildings and hospitals, and finally another \$10 million for lighthouses and public wharves and breakwaters and our telegraph system, making a total of \$110 million of assets to go against our net liability of \$35 million, showing that we have made a net gain for the last 50 years, it says, of \$75 million, or, now I quote the exact words, "... an average annual surplus ... of \$1.5 million" for the last 50 years. That is how they arrive at the figures.

Of course if we want to fool ourselves and fool others we will let those figures pass, and not throw any doubt upon them. If we have a Pollyanna optimism, if our motive and our purpose is to

fool the people of Newfoundland that everything is rosy, and the government has really balanced its budget for 50 years, they might answer it something like the man in gaol, who was visited by a well-meaning old codger who went in to cheer him up and said, "Stone walls do not a prison make, nor iron bars a cage"; and the old man said, "Well, if they don't, they have got me pretty well mesmerised." He thought really he was in gaol. And if you tell the people that for the last 50 years the government has balanced its budget, all the people are going to tell you to remember the dole years, to remember that only eight years ago Labrador fish was worth \$3 a quintal, and that all our fish and fishery products, when we exported them to all the countries of the world, were only worth \$8 million. Just barely eight years ago. Tell people who remember that, tell a man that's in Fair Island:

October 20, 1947

Mr. J. R. Smallwood

St. John's, Nfld.

Dear Sir:

I am sending to you to see if you can please give me any information as to what I am going to tell you.

Well sir, I was fishing on the Labrador this summer, and we did nothing with the fish. We got 235 quintals, and we shared \$140 a man. I owed \$121 of that to Mr. Murray in St. John's, and \$60 to Mr. So and So of this place.

I am a man with six in family, besides my wife and myself, and I have no help, so I am sending to you, sir, to see if you can get a job for me, or whether the Government can do anything. I am not able to buy a pound of anything for my family for the winter.

If you insist I am willing to expose his name to vouch for the genuineness of his letter. Tell that man in Fair Island that this country is good, that the future looks rosy and optimistic, and that for the last 50 years his government has not only balanced its budget, but had a surplus of \$300,000 a year. Tell him that!

Mr. Chairman I regret to inform the Convention that we have only one reporter here today, and therefore, in order that the reporter may have the opportunity of resting her hand, I propose to adjourn for 15 minutes and then resume again.

[Short recess]