

think he's sorry now that he did really....

Mr. Smallwood No, no, no, not at all.

Mr. Hollett I want to say this, that unless the Finance Committee can bring positive proof that the Commission of Government by direct or indirect order, instructed the Canadian or American authorities not to pay higher wages, then that paragraph should be deleted from the report.

Mr. Chairman At least it has no foundation in fact.

Mr. Hollett Unless they bring it in, Mr. Chairman. And I would like first before I make a motion to have that deleted from the report, to ask Major Cashin again if he has any further proof.

Mr. Vardy The very fact that all workmen did not receive the same wages is proof positive that they allowed the Americans, it was their responsibility...

Mr. Chairman You're making the conclusion again, Mr. Vardy, that that is...

Mr. Vardy It's the same conclusion we all came to.

Mr. Chairman Yes sir, I know, but it's still a conclusion.

Mr. Vardy It was the responsibility of the government of that time. If the government found out that I was only paying 20 cents per hour for packing fish down in Hickman's Harbour they would arrest me and summon me to Clarendville before the magistrate. It was their duty at that time, and the very fact that our men did not receive the same wages makes them liable and responsible. It was their responsibility and they can't escape it.

Mr. Butt Obviously, I would have certain information as suggested by my friend across the way, but just as obviously I could not reveal that for two reasons. One, I would be in danger of getting myself in jail under the Official Secrets Act. But more important than that, I held at that time a position of trust, and that I would not break. However, I've been thinking what I could usefully say which may be helpful, and I would suggest it's just possible that faced with a very difficult problem of policy that the Commission of Government may have taken certain steps to do what would be considered fair, reasonable and right in the circumstances. It may be that the Americans, the Canadians, both on the military side, and on the civil or construction side, and the

Commission of Government and certain other bodies, may have sat down together and said, "Now what should we do in the circumstances?" It just may be that that happened. And, one party may have argued that they were not going to pay higher than certain wages current at the time in the country. The other party may have argued that higher wages should be paid and it should be wide open. Now any further than that I can't go, but I would say, in all fairness to people with whom I dealt at the time, that it caused more than one headache, and I think I ought to say out of fairness to Sir Wilfred Woods that whether he did rightly or wrongly at the time, he sweated plenty as to what should be done in the circumstances. I think I really ought to say that, regardless of what one may think of Commission of Government.

Whilst I'm on my feet, I would like to refer to a question raised yesterday by one of the members, and by another member this afternoon, the question of how far a government should go in raising or increasing its expenditure from time to time. That too is a very difficult question which involves a long history of government and taxation throughout, shall I say, the western world. But first, when government had to deal with nothing but the defence and maintenance of justice and a few other matters such as education, the expenditure would naturally be very small. As the world progressed, in this country, as in every other country, it was felt that more expenditure should be spent on social services.¹[The only way] in which you can get money to spend is to take it from the people. But when you take money in taxation from the people, you pass it back to them in the form of services. So that it does not matter a row of pins where you fix the point at what you're going to spend from time to time, as long as the people of any country are satisfied that they want certain things. I entirely agree with Mr. Newell on the point that he made about increasing social welfare. I also want to say that there has been left, in dealing with financial matters, the impression that if one form of a government, I'm not mentioning any names, should be accepted it is necessary for us to go back to certain conditions. As one person with definite opinions on the form of the government we should have at the moment and in the future, I would like to disassociate myself with that theory and say that,

¹ Gap in the recording.