

of \$12,000 in connection with an old age pension scheme which his government was about to inaugurate. I say this just to show that our former governments and public men were not as benighted as some people would have us believe.

In the debate on old age pensions the first big flaw in the Black Books came to light. The figure set down by the Ottawa delegation for old age pensions to be paid in the province was \$510,000. In the debate, Mr. Smallwood said the figure would be increased to \$750,000, and actually it was finally concluded it would be \$900,000. This the province would have to find — almost a million dollars, almost twice the amount the delegation first supposed. The \$64 question is, will the province be able to pay it? Newfoundland as a province could pay her old age pensioners what she liked; \$100 a month if she could afford it, if she could raise the money. There are a lot of ifs in this business, Mr. Chairman — too many ifs, ands, and buts. It is too theoretical, too vague. We have to take too much on spec for my liking, and with all due respect for Mr. Smallwood's integrity, too much on his word.

Clause 5 — Here is our big-hearted gift to the great Dominion. The Railway, the Newfoundland Hotel, postal-telegraphs, civil aviation including Gander airport, Customs and Excise, defence, pensions of war veterans, fisheries, etc. etc., Canada takes over these. We give them to her for free. I ask you, is that a bargain for Canada? Oh, I can hear the sneers about our "narrow-gauge Newfie express", but it is worth \$72 million, so the Railway officials say. And even if it is only worth \$50 million, it is still a lot of valuable property. It has been roughly computed that the public utilities value that Canada takes over is roughly \$150 million, and that "ain't hay" for a small country like this to have to build up; and it is a mighty big item of generosity to hand this over lock, stock and barrel to the Dominion of Canada for nothing. If the seven man delegation to Ottawa had been seven members of the cabinet of an elected government of Newfoundland, they could very well have demanded some lump sum payment for the handing-over of these assets. But they could not do that; that would be negotiating. And here is another \$64 question — who did the negotiating? Was there negotiating? How come margarine? But more of this anon, Mr. Chairman.

Now, about the Railway under confederation. Under the Canadian National Railway, Mr. Smallwood read something from the Black Book that says nothing about the Railway employees. Mr. Higgins came in the next day with the minutes of a meeting, which word for word was the same as that found in the Black Book, volume 2, with a significant exception. When this occurred — members were apparently letting it pass — I raised a question which was to the effect that it seemed the delegation was in possession of information that the Convention was denied. I had no inkling it would start a 70 minute debate, but I soon saw I had touched on a sore point. From the trend the debate has taken all through it seems there are many sore points. Taxation is certainly one. Notwithstanding Mr. Smallwood's declared eagerness to come to grips with this fascinating subject before Christmas, the truth of it is that it was scarcely touched on until last week. It has been continuously shelved since the debate began on November 20 or earlier. Sometimes the Black Books are official, sometimes unofficial. On the matter of the employees of the Railway under Canadian National, Mr. Smallwood's claim is that this inferred reduction of staff is not in the Black Books, ergo it is unimportant. I cannot accept this view. These statements are there in black and white in the files at Ottawa, and if it is produced and acted on when the tenth province is sworn in, then what kind of an argument is it to say, "It is not in the Black Books"? The officials will say it is not in the terms either, that these people should be kept on. And what can we say? And that goes for more than the Railway. Then Newfoundlanders are supposed to continue to run the Railway. Why? Because the Canadian Civil Service Act says, "Employees must be citizens of the province". But it is stated in the Black Book that administration goes to regional headquarters at Moncton. Who employs who, then? Do Newfoundlanders go up to Moncton to run the Railway, or do the New Brunswick people run it? Or does Ottawa send down men to keep New Brunswick and Newfoundland from each other's throats? Note well in this regard, what of the Housing Association with its regional office somewhere in the Maritimes — does the same hold? I ask you in all seriousness, what are we expected to suppose?

Clause 6. Canada will pay the salary of the