

we had valued the Railway, I said the management of the Railway had valued it.

**Mr. Chairman** I must sustain you on that point...

**Mr. Hollett** I do remember that the idea of the value of the railway being \$72 million was pooh-poohed in your own snappy way, Cashin.

**Mr. Smallwood** Point of order. Is the member from Grand Falls permitted to refer to a member of this Convention by his surname without the courtesy of the added title of Mister or his military title? Is he allowed to say just "Smallwood" or "Cashin"?

**Mr. Chairman** No.... I don't think it is proper for any member to refer to another by his surname. I think he should prefix it by "sir", or his title or whatever it may be.

**Mr. Cashin** I have been called so many things I do not mind.

**Mr. Chairman** That is not the point at all.

**Mr. Hollett** It was you, Major, I referred to. I am glad I did not refer to the member from Bonavista Centre in such disrespectful terms. At any rate it was definitely the opinion that it was all right to tell a Canadian that we had a Railway worth \$72 million, but you fellows know better than that. We would not try to fool you fellows, not at all! Are all the facts in that Black Book compiled in that spirit, and if so, are the answers given by the Canadian people in the same spirit?

Getting back to the various assets.... The Committee refers to the Savings Bank, and says there is \$80 million belonging to the people there, and \$100 million worth of life insurance, whose ... cash surrender value is \$30 million. How much is that? \$110 million. That in itself gives us some idea of the economy of our people. The mere fact that our people have \$80 million in the Savings Bank and \$30 million in life insurance would justify the Finance Committee coming to the decision which they did in their report....

The Committee then takes a look at the Railway, ships and docks, and they advocate that the ships that are now in the mercantile marine class should be put over in some sort of a Crown agency, and they make it out in such a way that they can save \$1.25 million thereby, and in other ways. Then they go on to the servicing of the national debt. Major Cashin ... explained if interest-free loans and sinking fund were applied to our debt, reducing it to \$54 million, we could save

\$1 million in interest on the service of that debt.

Gander airport they also discussed and very fully. They say they can save \$750,000. That is the only point upon which I must agree with my friend from Bonavista Centre, that I can't agree on the information which we received when we were in London. I believe, and it was intimated, that if the deficit was \$750,000 we would have to pay \$250,000 and Great Britain would have to pay the rest. I can see I think Major Cashin's point. How is Great Britain going to pay that? How can she send us over the dollars? Where is she going to get the dollars? Evidently we will have to supply the dollars for the time being anyway, and I suspect that is what he had in his mind. Anyway, they figure out that there will be a total saving of \$3 million, and it looks to me quite sound.

Then they come on to the proposed expenditure of \$25 million.... And then they logically go on and ask themselves, "Where are we going to get the money to pay for this?" And they quote the 1940-41 revenue — \$16.25 million — and they tell us that in 1946-47 it amounts to \$27.25 million, and that the indications were that for this year, 1947-48, the revenues would come close to the staggering amount of \$40 million. Then, having decided that, they take a very realistic view of the industries in this country. They refer to the value of the pulp and paper industry and refer to the proposed expansion in the Corner Brook area, and generally they say that the pulp and paper industry in Newfoundland is tops. They also refer, which I think does not concern this report, to the possibilities of the pulp and paper industry in the Labrador area; I think I must touch upon this matter although I cannot see that the revenues will derive any benefit therefrom in the three year period which they forecast.... When we think of the possibilities of a new paper or sulphite mill in Labrador, or a new paper mill in the Bay d'Espoir area, and the value to the workmen, the clergymen, doctors, businessmen and everybody, then I think we can take a pretty good view of the pulp and paper industry, especially in view of the fact that they inform us that the Corner Brook and Grand Falls people have contracts for the next ten years. Is that correct?

**Mr. Cashin** That's right.

**Mr. Hollett** So there is nothing to worry about as far as the pulp and paper industry is concerned,