

who have given years of service, should be given equal treatment with those that are passed to another government. In fair play that should be done. There is no reason why one man in one department who has served ten years shouldn't get equal treatment with another man who'll be taken over by the federal government, and has also served ten years.

We passed the unemployment benefit. I have nothing further to say about it. I'm going to say nothing about education except this: that I don't see any earthly reason for putting it in there at all. It's a purely provincial matter, and as I understand it we can do exactly as we wish and carry on as at the present time. I would like to point out though, and here I refer to something that Mr. Bailey has been trying to get across, that a lot of the school money which has been paid by the Newfoundland government has been found through municipal taxation. The point that Mr. Bailey, I take it, was trying to make is this: that if you want to progress in education and social welfare, and want to run your government on the same basis as in Canada, we in Newfoundland will have to follow the same pattern. If you don't want to do these things, then as Mr. Bailey says, you can remain as you are. But don't say on the one hand that you're going to have the standard that they have in Canada if you do not apply the same formula. The taxes have to be found somewhere. The whole scheme of municipal government in Canada is an integral part of the scheme of government in that country. I'm not against local councils, I'm all for them. I would like to see them built up. I would point out this though, that under the provincial budget that has been arranged, nothing has been left except the amount which we have at the present time ...<sup>1</sup> and I will say, from personal experience with these matters, that if you are going to develop local councils in Newfoundland, you've got to give them not only the ordinary maintenance services, but something to build up so that they can carry on. That accounts for what the present government is doing, in giving large grants so that local communities can build their roads and keep themselves in a position where their normal revenue will maintain them. I contend that you must add a very considerable amount to this provincial budget which has been produced for us, whether it's the

one taken out of the Black Book or the one produced by Mr. Smallwood himself.

Now, sir, I've been talking a long time, but I want to say one or two things more. I want to come to oleomargarine. It says that we can produce it but we mustn't ship it outside of the country. When you read that you made a speech and you ended up by having oleomargarine produced in a magnificent factory on Lemarchant Road, and sold across Canada. I think it's only fair to say though, that a little small company, it can't be bigger than a small empire, like Lever Brothers is very likely to establish branches in Canada, if the time ever comes that they can produce oleomargarine there. And as far as our plant here is concerned, we could not count on a great increase in production which would bring extra wages. Modern oleomargarine is made from vegetable oil, as against the old-time fish oil, and it doesn't seem reasonable that Levers would come to Newfoundland, ship in its vegetable oil make its margarine and ship it to Canada. I mention this fact, because an exaggerated statement of that kind is likely to create the impression that we are going to get much more than we can find from the evidence in the Grey Book or the Black Books.

The *pièce de resistance*, clause 22. I understand Mr. Smallwood is very proud of this one.... What is proposed is that we should go into Canada first, and then find out what is in this country, rather than staying out, finding out what is in this country, and seeing if we can make better terms as a result of it. We know what we can get without an economic survey. We don't know what we can get with an economic survey. I can understand now why there was such a deadset on the proposal suggested by the chairman of the Industrial Association.... We are told that we'll get the services of technical personnel and agencies to assist in the work. Surely people must know that Montreal brought in experts, not from Ottawa, but from the United States of America. Surely they must know that two provinces brought in experts from America. And yet we were given the bait, that if we get into confederation they will send the experts to carry on this survey. Mr. Chairman, I suggest to you that the only common sense thing to do is to find out what we have in Newfoundland first, and then find out

<sup>1</sup>Gap in the recording.