

gentlemen of that Committee to show the tariff protection. There is an excise tariff and an import duty, and the difference between the two is the protection they get. If you look up the blue book of the Customs you will see how much is manufactured in the year and how much is imported, and work out the protection by that. Here is an industry controlled by the British American Tobacco Co., one of the largest tobacco companies in the world, and it has a protection tariff of \$550,000 a year.

Mr. Smallwood I intended to discuss the very matter Major Cashin has raised, but not to do it until the report was finished reading. I guess now is the time to go into it. I have a great deal of admiration for the work that the Committee has done. Any of us can see they put in a lot of work. I know the terrible difficulty they must have had because I have been doing that kind of thing myself, trying to get the same figures. It is one of the complaints that I have against this government that they have not got, after 13 years, any department to gather together just the ordinary facts and figures and statistics to show what the country is worth, the value of the goods produced, and of the manufactures. We and the government and Mr. Hickman's committee do not know, because there is no one to tell them. This matter of protective tariff, I can't agree with Mr. Cashin, or with the Committee, in drawing too sharp a line between those local industries whose capital is owned outside the country, and those whose capital is owned inside the country. So far as the consumers of Newfoundland are concerned it does not make much difference who owns the capital, if the effect of a high protective tariff or a high customs tariff is to drive up the cost of living.... Why draw the line? The enquiry that has to be made is on the effect of the tariff on all local industries. That's the enquiry that ought to be made. It is true the Committee goes on to say that it would require investigation by accountants and economists in order to determine the degree of protection these local companies get. If it is so it is a pity that the Local Industries Committee did not make an effort to get an accountant and economist to do that job. We are down now to one of the most fundamental things that we have to face. I heard Major Cashin in this very chamber stand up 20 years ago, and I heard him say that if he had his way he would take every

local industry in this country and burn it to the ground. Now he did not mean that I know, but what he was getting at then, and also this afternoon, and what I am trying to get at, is this: taking Newfoundland as a whole, we know that in a local industry the employees get their living and the owners get their dividends, so a local industry is certainly good for those who are employed in it and for those who own it, but is that local industry good for Newfoundland? Industries are good, but I would point out this fact, and it is the thing that we have to keep in our minds, and if we run into the danger of forgetting it we are going wrong. Every man, woman and child in this building and in this country today, is eating food and wearing clothes, footwear, etc., bought from the money that comes back into Newfoundland for the fish, the paper and the minerals we ship out. That's the only money we have, what we get back for these three things. That's all we have to live on — how we divide it up is another matter.... There is no other money, except during the war when we had a lot of Canadian and American money for base construction. There is a little dribble still coming in. The only money that we live on is what comes into Newfoundland from Spain, Portugal, Italy, the West Indies, etc. for fish, and from Canada and England for iron ore and paper, not what is produced in these local industries. They don't produce a single cent of new money, they only have their share of the fish, paper and mineral money. What follows from this? That it is absolutely necessary for this country to make the cost of fishing, of manufacturing paper, of mining, as cheap as we can make it. Are we doing that? Yes, I am afraid we are. How? Down through the years whenever we wanted to cut down the cost of producing fish we cut down the price we gave the fishermen. How did we cut down the cost of producing iron ore? By cutting the wages of the miners. And how did we cut down the price of paper? By cutting the wages of the men in the mills. But that is not the way to do it. One way is to cut down the cost of living, and these local factories are not cutting it down, they are making it higher. That's what is meant in this paragraph here. What does it say? They received 39 replies, which in their case showed a yearly total of wages, salaries, etc. of \$3,981,000, and a yearly total of taxes, including customs, taxes, excise, etc. of \$4,800,000. Where